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 2004 Regular Session of the General Assembly.

HOUSE ENROLLED ACT No. 1288

AN ACT to amend the Indiana Code concerning education.

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

SECTION 1. IC 20-17 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

ARTICLE 17. EFFECT OF RECODIFICATION OF TITLE 20

Chapter 1. Effect of Recodification by the Act of the 2005 Regular Session of the General Assembly

Sec. 1. As used in this chapter, "prior law" refers to the statutes concerning education that are repealed or amended in the recodification act of the 2005 regular session of the general assembly as the statutes existed before the effective date of the applicable or corresponding provision of the recodification act of the 2005 regular session of the general assembly.

Sec. 2. The purpose of the recodification act of the 2005 regular session of the general assembly is to recodify prior law in a style that is clear, concise, and easy to interpret and apply. Except to the extent that:

(1) the recodification act of the 2005 regular session of the general assembly is amended to reflect the changes made in a provision of another bill that adds to, amends, or repeals a provision in the recodification act of the 2005 regular session of the general assembly; or

(2) the minutes of meetings of the code revision commission

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during 2004 expressly indicate a different purpose;

the substantive operation and effect of the prior law continue uninterrupted as if the recodification act of the 2005 regular session of the general assembly had not been enacted.

Sec. 3. Subject to section 2 of this chapter, sections 4 through 9 of this chapter shall be applied to the statutory construction of the recodification act of the 2005 regular session of the general assembly.

Sec. 4. (a) The recodification act of the 2005 regular session of the general assembly does not affect:

(1) any rights or liabilities accrued;

(2) any penalties incurred;

(3) any violations committed;

(4) any proceedings begun;

(5) any bonds, notes, loans, or other forms of indebtedness issued, incurred, or made;

(6) any tax levies made or authorized;

(7) any funds established;

(8) any patents issued;

(9) the validity, continuation, or termination of any contracts, easements, or leases executed;

(10) the validity, continuation, scope, termination, suspension, or revocation of:

(A) permits;

(B) licenses;

(C) certificates of registration;

(D) grants of authority; or

(E) limitations of authority; or

(11) the validity of court decisions entered regarding the constitutionality of any provision of the prior law;

before the effective date of the recodification act of the 2005 regular session of the general assembly (July 1, 2005). Those rights, liabilities, penalties, violations, proceedings, bonds, notes, loans, other forms of indebtedness, tax levies, funds, patents, contracts, easements, leases, permits, licenses, certificates of registration, grants of authority, and limitations of authority continue and shall be imposed and enforced under prior law as if the recodification act of the 2005 regular session of the general assembly had not been enacted.

(b) The recodification act of the 2005 regular session of the general assembly does not:

(1) extend or cause to expire a permit, license, certificate of

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registration, or other grant or limitation of authority; or

(2) in any way affect the validity, scope, or status of a license, permit, certificate of registration, or other grant or limitation of authority;

issued under the prior law.

(c) The recodification act of the 2005 regular session of the general assembly does not affect the revocation, limitation, or suspension of a permit, license, certificate of registration, or other grant or limitation of authority based in whole or in part on violations of the prior law or the rules adopted under the prior law.

Sec. 5. The recodification act of the 2005 regular session of the general assembly shall be construed as a recodification of prior law. Except as provided in section 2(1) and 2(2) of this chapter, if the literal meaning of the recodification act of the 2005 regular session of the general assembly (including a literal application of an erroneous change to an internal reference) would result in a substantive change in the prior law, the difference shall be construed as a typographical, spelling, or other clerical error that must be corrected by:

(1) inserting, deleting, or substituting words, punctuation, or other matters of style in the recodification act of the 2005 regular session of the general assembly; or

(2) using any other rule of statutory construction;

as necessary or appropriate to apply the recodification act of the 2005 regular session of the general assembly in a manner that does not result in a substantive change in the law. The principle of statutory construction that a court must apply the literal meaning of an act if the literal meaning of the act is unambiguous does not apply to the recodification act of the 2005 regular session of the general assembly to the extent that the recodification act of the 2005 regular session of the general assembly is not substantively identical to the prior law.

Sec. 6. Subject to section 9 of this chapter, a reference in a statute or rule to a statute that is repealed and replaced in the same or a different form in the recodification act of the 2005 regular session of the general assembly shall be treated after the effective date of the new provision as a reference to the new provision.

Sec. 7. A citation reference in the recodification act of the 2005 regular session of the general assembly to another provision of the recodification act of the 2005 regular session of the general assembly shall be treated as including a reference to the provision of prior law that is substantively equivalent to the provision of the

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recodification act of the 2005 regular session of the general assembly that is referred to by the citation reference.

Sec. 8. (a) As used in the recodification act of the 2005 regular session of the general assembly, a reference to rules adopted under any provision of this title or under any other provision of the recodification act of the 2005 regular session of the general assembly refers to either:

(1) rules adopted under the recodification act of the 2005 regular session of the general assembly; or

(2) rules adopted under the prior law until those rules have been amended, repealed, or superseded.

(b) Rules adopted under the prior law continue in effect after June 30, 2005, until the rules are amended, repealed, or suspended.

Sec. 9. (a) A reference in the recodification act of the 2005 regular session of the general assembly to a citation in the prior law before its repeal is added in certain sections of the recodification act of the 2005 regular session of the general assembly only as an aid to the reader.

(b) The inclusion or omission in the recodification act of the 2005 regular session of the general assembly of a reference to a citation in the prior law before its repeal does not affect:

(1) any rights or liabilities accrued;

(2) any penalties incurred;

(3) any violations committed;

(4) any proceedings begun;

(5) any bonds, notes, loans, or other forms of indebtedness issued, incurred, or made;

(6) any tax levies made or authorized;

(7) any funds established;

(8) any patents issued;

(9) the validity, continuation, or termination of contracts, easements, or leases executed;

(10) the validity, continuation, scope, termination, suspension, or revocation of:

(A) permits;

(B) licenses;

(C) certificates of registration;

(D) grants of authority; or

(E) limitations of authority; or

(11) the validity of court decisions entered regarding the constitutionality of any provision of the prior law;

before the effective date of the recodification act of the 2005

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regular session of the general assembly (July 1, 2005). Those rights, liabilities, penalties, violations, proceedings, bonds, notes, loans, other forms of indebtedness, tax levies, funds, patents, contracts, easements, leases, permits, licenses, certificates of registration, grants of authority, and limitations of authority continue and shall be imposed and enforced under prior law as if the recodification act of the 2005 regular session of the general assembly had not been enacted.

(c) The inclusion or omission in the recodification act of the 2005 regular session of the general assembly of a citation to a provision in the prior law does not affect the use of a prior conviction, violation, or noncompliance under the prior law as the basis for revocation of a license, permit, certificate of registration, or other grant of authority under the recodification act of the 2005 regular session of the general assembly, as necessary or appropriate to apply the recodification act of the 2005 regular session of the general assembly in a manner that does not result in a substantive change in the law.

SECTION 2. IC 20-18 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

ARTICLE 18. GENERAL PROVISIONS

Chapter 1. Applicability

Sec. 1. Except as otherwise provided, this title applies to public school corporations.

Chapter 2. Definitions

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

Sec. 2. "Average daily membership" or "ADM" has the meaning set forth in IC 21-3-1.6-1.1(d).

Sec. 3. "Department" refers to the department of education established by IC 20-19-3-1.

Sec. 4. "Elementary school" means any combination of kindergarten and grades 1, 2, 3, 4, 5, 6, 7, or 8.

Sec. 5. "Governing body" means:

(1) a township trustee and the township board of a school township;

(2) a county board of education;

(3) a board of school commissioners;

(4) a metropolitan board of education;

(5) a board of trustees; or

(6) any other board or commission charged by law with the responsibility of administering the affairs of a school

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corporation.

Sec. 6. "Graduation examination" means the test designated by the board under the ISTEP program.

Sec. 7. "High school" means any combination of grades 9, 10, 11, or 12.

Sec. 8. "Indiana physician" means an individual who holds an unlimited license to practice medicine in Indiana.

Sec. 9. "Individualized education program" means a written statement developed for a child by a group that includes:

(1) a representative of the school corporation or public agency responsible for educating the child;

(2) the child's teacher;

(3) the child's parent, guardian, or custodian;

(4) if appropriate, the child; and

(5) if the provision of services for a seriously emotionally disabled child is considered, a mental health professional provided by:

(A) the community mental health center (as described in IC 12-29); or

(B) a managed care provider (as defined in IC 12-7-2-127(b));

serving the community in which the child resides;

and that describes the special education to be provided to the child.

Sec. 10. "ISTEP program" refers to the Indiana statewide testing for educational progress program developed and administered under IC 20-32-5.

Sec. 11. "Legal settlement" of a student means the student's status with respect to the school corporation that has the responsibility to allow the student to attend its local public schools without the payment of tuition, or to pay transfer tuition under IC 20-26-11 if the student attends school in a local public school of another school corporation.

Sec. 12. (a) "Nonpublic school" means a school that is not maintained by a school corporation.

(b) The term includes a private school or parochial school.

Sec. 13. "Parent" means:

(1) the natural father or mother of a child;

(2) in the case of adoption, the adopting father or mother of a child;

(3) if custody of the child has been awarded in a court proceeding to someone other than the mother or father, the court appointed guardian or custodian of the child; or

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(4) if the parents of a child are divorced, the parent to whom the divorce decree or modification awards custody or control with respect to a right or obligation under this title.

Sec. 14. "Principal" refers to the chief administrative officer of a school.

Sec. 15. "Public school" means a school maintained by a school corporation.

Sec. 16. (a) "School corporation" means a public school corporation established by Indiana law.

(b) The term includes a:

(1) school city;
(2) school town;
(3) school township;
(4) consolidated school corporation;
(5) metropolitan school district;
(6) township school corporation;
(7) county school corporation;
(8) united school corporation; or
(9) community school corporation.

Sec. 17. "School year" means the period:

(1) beginning after June 30 of each year; and
(2) ending before July 1 of the following year;

except when a different period is specified for a particular purpose.

Sec. 18. "Secondary school" means a high school.

Sec. 19. "State board" refers to the Indiana state board of education established by IC 20-19-2-2.

Sec. 20. "State superintendent" refers to the state superintendent of public instruction.

Sec. 21. "Superintendent" means:

(1) the chief administrative officer of a school corporation; or
(2) in the case of a township school, the county superintendent of schools.

Sec. 22. (a) "Teacher" means a professional person whose position in a school corporation requires certain teacher training preparations and licensing.

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

(1) A superintendent.
(2) A supervisor.
(3) A principal.
(4) An attendance officer.
(5) A teacher.
(6) A librarian.

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Sec. 23. "Textbook" means systematically organized material designed to provide a specific level of instruction in a subject matter category.

Sec. 24. "Transfer" with respect to a student refers to the situation in which the student, for all or part of the student's education, attends school in a public school of a school corporation other than the school corporation in which the student has legal settlement.

Sec. 25. "Transferor corporation" and "transferee corporation" refer, respectively, in transfer situations to the school corporation of a student's legal settlement and the school corporation where the student attends school.

Sec. 26. (a) "Transferred student" means a student attending school in a school corporation in which the student does not have legal settlement.

(b) For purposes of subsection (a), a student is considered attending school in a school corporation when:

(1) the student is confined by a disability to a place outside the school corporation's facilities and receives instruction from school corporation personnel;

(2) the student attends a special or vocational education school in which the school corporation of the student's legal settlement provides cooperatively a portion of the cost; or

(3) the student is in another similar situation.

SECTION 3. IC 20-19 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

ARTICLE 19. STATE ADMINISTRATION OF ELEMENTARY AND SECONDARY EDUCATION

Chapter 1. State Superintendent of Public Instruction

Sec. 1. (a) The state superintendent shall be elected under IC 3-10-2-6 by the voters of Indiana.

(b) The term of office of the state superintendent is four (4) years:

(1) beginning on the second Monday in January after election; and

(2) continuing until a successor is elected and qualified.

Sec. 2. The state superintendent is designated to, and may cooperate with, the Agricultural Marketing Service of the United States Department of Agriculture and with other federal relief agencies in the distribution of surplus agricultural commodities to the following:

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(1) School corporations.

(2) Nonprofit nonpublic schools.

(3) Township and county relief agencies.

(4) Other nonprofit public and private institutions to which by law the commodities may be distributed.

Sec. 3. The state superintendent has administrative duties and authority concerning the school lunch programs under IC 20-26-9.

Chapter 2. State Board of Education

Sec. 1. As used in this chapter, "advisory committee" refers to the advisory committee on textbook adoption established by section 3 of this chapter.

Sec. 2. (a) The Indiana state board of education is established. The state board consists of:

(1) the state superintendent; and

(2) ten (10) members appointed by the governor.

(b) The following provisions apply to members of the state board appointed by the governor:

(1) At least four (4) of the members must be actively employed in the schools in Indiana and hold a valid teaching license.

(2) At least one (1) member must be appointed from each congressional district in Indiana.

(3) Not more than six (6) members of the state board may be appointed from the membership of any one (1) political party.

(4) The term of office of a member begins on July 1. Except as provided in subdivision (5), the term of office of a member is four (4) years.

(5) The governor may dismiss a member for just cause.

(6) The governor may appoint a member to fill a vacancy occurring on the state board. A member appointed under this subdivision serves for the remainder of the unexpired term.

(c) A quorum consists of six (6) members of the state board. An action of the state board is not official unless the action is authorized by at least six (6) members.

(d) The state superintendent serves as chairperson of the state board.

Sec. 3. (a) The advisory committee on textbook adoption is established. The advisory committee consists of:

(1) the state superintendent or the state superintendent's designee; and

(2) six (6) members appointed by the state superintendent.

(b) The following provisions apply to members of the advisory committee appointed by the state superintendent:

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(1) At least four (4) of the members must be actively employed in the schools in Indiana and hold a valid teaching license.

(2) Not more than four (4) of the members of the committee may be appointed from the membership of any one (1) political party.

(3) Members serve at the pleasure of the state superintendent.

(c) The state superintendent or the state superintendent's designee serves as chairperson of the advisory committee.

Sec. 4. (a) The state board and the advisory committee shall meet at the times they determine.

(b) The state board may establish other advisory committees as necessary to provide technical and professional assistance to the state board.

Sec. 5. If the state board is required to conduct hearings under IC 4-21.5-3, the state board may use hearing examiners who are not members of the state board to conduct the hearings.

Sec. 6. (a) The state board shall elect one (1) member to serve as secretary. The secretary shall:

(1) maintain custody of the state board's records, papers, and effects; and

(2) keep minutes of the state board's proceedings.

The records, papers, effects, and minutes of all meetings and actions of the state board shall be kept at the office of the state superintendent and are public records.

(b) The state board shall adopt and use a seal that contains the words "Indiana State Board of Education". A written description of the seal shall be recorded in the minutes of the state board and filed in the office of the secretary of state. The seal shall be used for the authentication of the acts of the state board and the important acts of the department.

Sec. 7. (a) Each member of the state board who is not an officer or employee of the state is entitled to an annual salary of two thousand dollars ($2,000).

(b) Each member of the advisory committee who is not an officer or employee of the state is entitled to the minimum salary per diem provided in IC 4-10-11-2.1(b) while performing their respective duties as committee members.

(c) Each member of the state board or the advisory committee is entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the

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budget agency. The compensation of members employed in the public schools may not be decreased because of regular service on the state board or the advisory committee.

Sec. 8. (a) In addition to any other powers and duties prescribed by law, the state board shall adopt rules under IC 4-22-2 concerning, but not limited to, the following matters:

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

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

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

(4) The establishment and maintenance of minimum standards for driver education programs (including classroom instruction and practice driving) and equipment. Classroom instruction standards established under this subdivision must include instruction about:

(A) railroad-highway grade crossing safety; and

(B) the procedure for participation in the human organ donor program.

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

(A) IC 20-31-4;

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

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

(D) IC 20-28-9-7 and IC 20-28-9-8;

(E) IC 20-28-11; and

(F) IC 20-31-3, IC 20-32-4, IC 20-32-5, IC 20-32-6, and IC 20-32-8;

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

(6) Subject to section 9 of this chapter, the adoption and approval of textbooks under IC 20-20-5.

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

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

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

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

Sec. 9. (a) The advisory committee may initiate rules and hold public hearings under IC 4-22-2 on rules concerning the adoption of textbooks. The advisory committee shall send a proposed rule on which public hearings have been held to the state board. The state board may adopt or reject a rule initiated by the advisory committee. If the advisory committee holds hearings on a proposed rule, the state board is not required to hold hearings.

(b) Every rule initiated by the state board concerning textbook adoption shall be sent to the advisory committee. Upon receipt of a rule initiated by the state board, the advisory committee may hold public hearings on the rule. If the advisory committee holds a public hearing on a rule initiated by the state board, the advisory committee shall send the proposed rule and a recommendation to the state board not more than ninety (90) days after the date the advisory committee receives the rule from the state board. If the advisory committee fails to hold a hearing or to return the proposed rule with a recommendation to the state board within the ninety (90) day period, the state board may:

(1) hold public hearings on the proposed rule and proceed under IC 4-22-2; or

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(2) discontinue the proceedings.

Sec. 10. (a) It is the policy of the state that the state:

(1) recognizes that nonpublic schools provide education to children in Indiana;

(2) has an interest in ensuring that all Indiana children are well educated in both curricular and extracurricular programs; and

(3) should facilitate the transferability of comparable academic credit between appropriate nonpublic schools and state supported educational institutions.

(b) The state board shall implement a system of recognition of the educational programs of nonpublic schools to fulfill the policy set forth in subsection (a).

(c) The system of recognition described under subsection (b) must:

(1) be voluntary in nature with respect to the nonpublic school;

(2) recognize the characteristics that distinguish nonpublic schools from public schools; and

(3) be a recognition system that is separate from the accreditation standards required of public schools and available to nonpublic schools under section 8(a)(5) of this chapter.

(d) This section does not prohibit a nonpublic school from seeking accreditation under section 8(a)(5) of this chapter.

(e) The state board shall adopt rules under IC 4-22-2 to implement this section.

Sec. 11. (a) As used in this section, "plan" refers to a strategic and continuous school improvement and achievement plan developed under IC 20-31-5.

(b) A plan must:

(1) conform to the requirements of IC 20-31-5; and

(2) include a professional development program that conforms to IC 20-20-31.

(c) The governing body may do the following for a school that participates in a plan:

(1) Invoke a waiver of a rule adopted by the state board under IC 20-31-5-5(b).

(2) Develop a plan for the admission of students who do not reside in the school's attendance area but have legal settlement in the school corporation.

(d) In approving a school corporation's actions under this

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section, the state board shall consider whether the governing body has done the following:

(1) Approved a school's plan.

(2) Demonstrated the support of the exclusive representative only for the professional development program component of the plan.

(e) The state board may waive any statute or rule relating to curriculum or textbook selection on behalf of a school in accordance with IC 20-31-5-5.

(f) As part of the plan, the governing body may develop and implement a policy to do the following:

(1) Allow the transfer of a student who resides in the school's attendance area but whose parent requests that the student attend another school in the school corporation of legal settlement.

(2) Inform parents of their rights under this section.

(g) The state board shall adopt rules under IC 4-22-2 to implement this section.

Sec. 12. (a) The state board shall adopt nonbinding guidelines for the selection of school sites and the construction, alteration, and repair of school buildings. The nonbinding guidelines:

(1) must include preferred location and building practices for school corporations, including standards for enhancing health, energy efficiency, cost efficiency, and instructional efficacy; and

(2) may include guidelines concerning minimum acreage, cost per square foot, and per student square footage.

(b) The state board shall annually compile, in a document capable of easy revision, the:

(1) guidelines described in subsection (a); and

(2) rules of the:

(A) fire prevention and building safety commission; and

(B) state department of health;

that govern site selection and the construction, alteration, and repair of school buildings.

(c) Before submitting completed written plans and specifications for the selection of a school building site or the construction or alteration of a school building to the state building commissioner for issuance of a design release under IC 22-15-3, a school corporation shall:

(1) issue a public document that describes any material differences between the plans and specifications prepared by

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the school corporation and the guidelines adopted under subsection (a), as determined under the guidelines adopted by the state board; and

(2) after publishing a notice of the public hearing under IC 5-3-1, conduct a public hearing to receive public comment concerning the school corporation's plans and specifications.

After the public hearing and without conducting another public hearing under this subsection, the governing body may revise the plans and specifications or submit the plans and specifications to the state building commissioner without making changes. The school corporation shall revise the public document described in subdivision (1) to identify any changes in the plans and specifications after the public document's initial preparation.

Sec. 13. The state board may not approve or disapprove plans and specifications for the construction, alteration, or repair of school buildings, except as necessary under the following:

(1) The terms of a federal grant or a federal law.

(2) IC 20-35-4-2 concerning the authorization of a special school for children with disabilities.

Sec. 14. The state board shall do the following:

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

(2) Assess the attainment of the established goals.

(3) Assure compliance with established standards and objectives.

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

Sec. 15. The state board shall comply with IC 20-26-15 to establish a freeway school corporation and a freeway school.

Sec. 16. (a) The state accepts the provisions and benefits of laws enacted by the Congress of the United States that provide for aid to children with disabilities.

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

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

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

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Sec. 17. The provisions of an act of Congress entitled "An act to provide for the promotion of vocational education; to provide for cooperation with the states in the promotion of such education in agriculture and the trades and industries; to provide for cooperation with the states in the preparation of teachers of vocational subjects; and to appropriate money and regulate its expenditure," are accepted by the state as to the following:

(1) Appropriations for the salaries of:

(A) teachers;

(B) supervisors; or

(C) directors;

of agricultural subjects.

(2) Appropriations for salaries for teachers of trade and industrial subjects.

(3) Appropriations for the training of teachers of vocational subjects.

Sec. 18. (a) The treasurer of state is designated as the custodian for vocational education.

(b) The treasurer of state shall do the following:

(1) Receive money paid to the state from the United States treasury under the act of Congress described in section 17 of this chapter.

(2) Pay the money described in subdivision (1), upon the warrant of the auditor of state, when the money is certified by the state board.

Sec. 19. The state board:

(1) is designated as the state agency to carry out the provisions of the act of Congress described in section 17 of this chapter, so far as the act relates to the cooperation of the state and federal government; and

(2) may take all necessary steps in:

(A) forming plans to promote education in agriculture, trades, and industries; and

(B) forming and executing plans to prepare teachers of vocational subjects.

Chapter 3. Department of Education

Sec. 1. The department of education is established.

Sec. 2. The state superintendent is the director of the department.

Sec. 3. The state superintendent:

(1) subject to IC 20-19-2-8(a)(1); and

(2) with the approval of the budget agency;

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may hire the personnel necessary to perform the duties of the department under this title.

Sec. 4. The department shall:

(1) perform the duties required by statute;

(2) implement the policies and procedures established by the state board;

(3) conduct analytical research to assist the state board in determining the state's educational policy;

(4) compile statistics concerning the ethnicity and gender of students in Indiana schools, including statistics for all information that the department receives from school corporations on enrollment, number of suspensions, and number of expulsions; and

(5) provide technical assistance to school corporations.

Sec. 5. The department may:

(1) exercise the powers granted by statute;

(2) with the approval of the budget agency, employ experts and consultants to assist the department in carrying out its functions;

(3) with the consent of other state agencies, use the services and facilities of other state agencies without reimbursements;

(4) accept in the name of the department, for use in carrying out the functions of the department, money received by gift, grant, bequest, or otherwise;

(5) accept voluntary and uncompensated services; and

(6) expend funds made available to the department according to policies established by the budget agency.

Sec. 6. (a) The department shall:

(1) establish a program in health and physical education to encourage children in kindergarten through grade 12 to develop:

(A) healthful living habits;

(B) an interest in lifetime health and physical fitness; and

(C) decision making skills in the areas of health and physical fitness;

(2) establish the position of education consultant for health and physical education; and

(3) hire an individual to perform the duties of education consultant for health and physical education.

(b) The education consultant for health and physical education shall:

(1) plan and develop curricula for health and physical

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education for grades kindergarten through 12; and

(2) perform other duties designated by the department.

(c) The program in health and physical education must include the following:

(1) Local school program development.

(2) Technical and inservice training assistance for local schools.

(3) Local school initiatives in writing curricula in the areas of health and physical education.

(4) Cardiopulmonary resuscitation training using a training program approved by the American Heart Association or an equivalent nationally recognized training program.

(d) The department may give grants to or enter into contracts with individuals or school corporations to carry out the purposes of the program in health and physical education.

Sec. 7. (a) The department may not accept or distribute to school corporations grants from the federal government under Title III of P.L.103-227 (repealed), if the state superintendent determines that acceptance or distribution of grant money does at least one (1) of the following:

(1) Authorizes an officer or employee of the federal government to mandate, direct, or control at least one (1) of the following:

(A) The department.

(B) A school corporation.

(C) A school curriculum or program of instruction.

(D) Allocation of a state or local government resource.

(2) Requires the department, a school corporation, or a school to spend money or incur an expense not paid under Title III of P.L.103-227 (repealed).

(3) Requires a school corporation, as a condition of participation, to increase the access of students to at least one (1) of the following:

(A) Social services.

(B) Health care.

(C) Nutrition.

(D) Services related to the services listed in clauses (A) through (C).

(E) Child care services.

(4) Requires a school corporation, as a condition of participation, to implement an outcome based education program.

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(5) Requires a school corporation, as a condition of participation, to adopt:

(A) a national curriculum; or

(B) national assessment standards.

(6) Requires federal government certification of:

(A) a state curriculum; or

(B) state assessment standards.

(b) The governing body of a school corporation that receives a grant under this section may withdraw from participation in the grant program at the following times:

(1) At the end of a school year.

(2) At any time during a school year, if money received for participation in the grant program is returned to the department. The amount that a school corporation must return to the department is the amount received for expenditure during the time after the school corporation has ceased to participate in the program.

Sec. 8. The department may not approve or disapprove plans and specifications for the construction, alteration, or repair of school buildings, except as necessary under the following:

(1) The terms of a federal grant or a federal law.

(2) IC 20-35-4-2 concerning the authorization of a special school for children with disabilities.

Chapter 4. Education Roundtable

Sec. 1. As used in this chapter, "roundtable" refers to the education roundtable established by section 2 of this chapter.

Sec. 2. The education roundtable is established.

Sec. 3. The roundtable consists of the following members:

(1) A number of members appointed jointly by the governor and the state superintendent. These members must be representatives of:

(A) business and community leaders;

(B) elementary and secondary education, including programs for exceptional learners (as defined in IC 20-31-2-6); and

(C) higher education.

The number of members appointed under clause (A) must be equal to the number of members appointed under clauses (B) and (C).

(2) Two (2) members appointed by the president pro tempore of the senate from different political parties.

(3) Two (2) members appointed by the speaker of the house of

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representatives from different political parties.

Sec. 4. (a) A member of the roundtable is not entitled to a salary per diem.

(b) A member of the roundtable is entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

Sec. 5. (a) The governor and the state superintendent shall jointly serve as cochairpersons of the roundtable. The roundtable shall meet upon the call of the cochairpersons.

(b) A quorum of the roundtable must be present to conduct business. A quorum consists of a majority of the voting members appointed to the roundtable. The roundtable may not take an official action unless the official action has been approved by at least a majority of the voting members appointed to serve on the roundtable.

Sec. 6. The roundtable is a permanent body and working group.

Sec. 7. (a) The roundtable shall provide recommendations on subjects related to education to the following:

(1) The governor.

(2) The state superintendent.

(3) The general assembly.

(4) The state board.

(b) The recommendations to the general assembly must be in an electronic format under IC 5-14-6.

Sec. 8. (a) Before providing a recommendation under section 7 of this chapter, the roundtable shall prepare an analysis of the fiscal impact that the recommendation will have on the state, political subdivisions, and private schools affected by the recommendation. The analysis must be submitted with the recommendation under section 7 of this chapter.

(b) If the roundtable provides a recommendation under section 7 of this chapter and the fiscal impact analysis prepared under subsection (a) indicates that the impact of the recommendation will be at least five hundred thousand dollars ($500,000), the roundtable shall submit a copy of the recommendation and the fiscal impact analysis prepared under subsection (a) to the legislative services agency for review. This recommendation must be in an electronic format under IC 5-14-6. Not more than forty-five (45) days after receiving a copy of the recommendation and fiscal impact analysis, the legislative services agency shall

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prepare a fiscal analysis concerning the effect that compliance with the recommendation will have on:

(1) the state;

(2) political subdivisions; and

(3) nonpublic schools affected by the proposed recommendation.

The fiscal analysis must contain an estimate of the direct fiscal impact of the recommendation and a determination concerning the extent to which the recommendation creates an unfunded mandate on the state, a political subdivision, or a nonpublic school affected by the proposed recommendation. The fiscal analysis is a public document. The legislative services agency shall make the fiscal analysis available to interested parties upon request. The roundtable shall provide the legislative services agency with the information necessary to prepare the fiscal analysis. The legislative services agency may also receive and consider applicable information from the entities affected by the recommendation in preparation of the fiscal analysis. The legislative services agency shall provide copies of its fiscal analysis to each of the persons described in section 7 of this chapter.

Sec. 9. The roundtable shall make recommendations to the state board for improving the academic standards under IC 20-31-3.

Sec. 10. The roundtable shall review and recommend to the state board for the state board's approval the following:

(1) The academic standards under IC 20-31-3, IC 20-32-4, IC 20-32-5, and IC 20-32-6 for all grade levels from kindergarten through grade 12.

(2) The content and format of the ISTEP program, including the following:

(A) The graduation examination.

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

Sec. 11. In making recommendations under section 10 of this chapter, the roundtable shall consider:

(1) a variety of available national and international assessments and tests;

(2) the development of an assessment or test unique to Indiana; and

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

Sec. 12. In making recommendations under section 10 of this chapter, the roundtable shall recommend to the state board only

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state tests that when appropriate:

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

(2) provide each student with the opportunity to meet the academic standards in an applied manner.

Sec. 13. The state board may adopt rules under IC 4-22-2 to implement this chapter.

SECTION 4. IC 20-20 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

ARTICLE 20. PROGRAMS ADMINISTERED BY THE STATE

Chapter 1. Educational Service Centers

Sec. 1. As used in this chapter, "board" refers to the local governing board of an educational service center.

Sec. 2. (a) As used in this chapter, "educational service center" means an extended agency of school corporations that:

(1) operates under rules established by the state board;

(2) is the administrative and operational unit that serves a definitive geographical boundary; and

(3) allows school corporations to voluntarily cooperate and share programs and services that the school corporations cannot individually provide but collectively may implement.

(b) Programs and services collectively implemented through an educational service center may include, but are not limited to, the following:

(1) Curriculum development.

(2) Pupil personnel and special education services.

(3) In-service education.

(4) State-federal liaison services.

(5) Instructional materials and multimedia services.

(6) Vocational and career education.

(7) Purchasing and financial management.

(8) Needs assessment.

(9) Computer use.

(10) Research and development.

Sec. 3. The state board may provide for the establishment of and procedures for the operation of educational service centers.

Sec. 4. (a) The state board shall do the following:

(1) Adopt a comprehensive plan to implement this chapter.

(2) Determine the areas in Indiana that will be served by an educational service center.

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(b) In determining the geographic area to be served by an educational service center, the state board shall consider the following:

(1) Physical factors.

(2) Socio-economic factors.

(3) Educational factors.

(4) Existing cooperative efforts and agreements.

Sec. 5. An educational service center must be established under rules adopted by the state board to develop, provide, and make available to participating schools those services requested by the participating school corporations and approved by the state board.

Sec. 6. Educational service centers shall be located throughout Indiana to allow each school corporation to have an opportunity to:

(1) be served by; and

(2) participate in;

an approved center on a voluntary basis by resolution of the governing body.

Sec. 7. An educational service center shall be governed in its local administration by a board selected by an assembly comprised of the superintendent or the superintendent's designee from each participating school corporation.

Sec. 8. (a) The state board shall adopt uniform rules to provide for the local selection, appointment, and continuity of membership for boards.

(b) Vacancies on a board shall be filled by appointment by the remaining members of the board.

(c) Members of a board serve without compensation.

Sec. 9. A board may employ the following:

(1) An executive director for the educational service center.

(2) Other personnel the board considers necessary to:

(A) carry out the functions of the educational service center; and

(B) do and perform all things the board considers proper for successful operation of the center.

Sec. 10. (a) The state board shall provide for the selection of an advisory council to each board. The state board shall provide for the representation of:

(1) teachers;

(2) elementary principals;

(3) secondary principals;

(4) members of the governing body; and

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(5) parents of students;

of the school corporations that are within the geographic area served by the educational service center.

(b) The advisory council shall make recommendations to the board on budgetary and program matters.

Sec. 11. (a) Any funds, including donated funds and funds from federal or other local sources, shall be used to pay for the costs of establishing or operating an educational service center.

(b) An educational service center may administer programs and funds from any of the sources described in subsection (a). All activities funded from federal sources must follow all applicable federal guidelines, rules, and regulations.

Sec. 12. This chapter does not prohibit an educational service center from receiving and using matching funds from federal sources in any amount for which the educational service center may be eligible.

Chapter 2. Principal Leadership Academy

Sec. 1. As used in this chapter, "academy" refers to the principal leadership academy established by section 3 of this chapter.

Sec. 2. As used in this chapter, "advisory board" refers to the advisory board for the principal leadership academy established by this chapter.

Sec. 3. The principal leadership academy is established within the department to achieve excellence in teacher and student performance by strengthening leadership and management skills of practicing Indiana public school principals.

Sec. 4. (a) The state superintendent shall:

(1) appoint a full-time director to administer the academy;

(2) employ staff necessary to implement this chapter;

(3) appoint members of the advisory board; and

(4) submit to the general assembly an annual report before July 1 of each year.

(b) The annual report of the state superintendent must be in an electronic format under IC 5-14-6 and must include the following:

(1) A summary of the activities of the academy.

(2) Data on the number of persons trained.

(3) An analysis of the extent to which the purposes of the academy have been accomplished.

(4) A proposal for a program and budget for the two (2) years following the year that is the subject of the report.

Sec. 5. (a) There is established an advisory board for the

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academy to advise and assist the director appointed under section 4 of this chapter.

(b) The advisory board consists of nine (9) members appointed by the state superintendent. Each of the following groups must be represented by at least one (1) member of the advisory board:

(1) Practicing public school principals.

(2) Members of the general assembly.

(3) Experts in administration, supervision, curriculum development, or evaluation who are members of the faculty of a state supported university.

(4) Practicing school superintendents.

(5) Practicing public school teachers.

(6) Members of the business or industry community.

(7) Parents of public school age children.

(c) The advisory board shall:

(1) annually elect a chairperson;

(2) advise the director about the curriculum of the academy;

(3) review the plan developed by the director under section 6 of this chapter;

(4) approve an evaluation plan for the academy;

(5) review the director's plan for continuing education;

(6) review the academy budget and make recommendations to the director;

(7) set criteria for the selection of academy participants;

(8) review the operation of the academy and make recommendations to the director;

(9) assist the director in compiling an annual report for submission to the state superintendent;

(10) consider coordinating the programs and curriculum offered at the academy with the programs and curriculum required in principal certification programs offered at institutions of higher education in Indiana; and

(11) complete other tasks requested of the advisory board by the state superintendent.

(d) Each member of the advisory board serves a four (4) year term beginning on May 1 in the year the member is appointed.

(e) The state superintendent shall fill a vacancy on the advisory board:

(1) for the unexpired part of the term; and

(2) in a manner that preserves the composition of the advisory board under subsection (b).

(f) Each member of the advisory board who is not a member of

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the general assembly is not entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). The member is, however, entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

(g) Each member of the advisory board who is a member of the general assembly is entitled to receive the same per diem, mileage, and travel allowances paid to members of the general assembly serving on interim study committees established by the legislative council.

Sec. 6. (a) The director of the academy shall, with staff support, develop a plan to accomplish the goals of the academy. The plan must be approved by the advisory board and must include procedures to teach principals the following:

(1) How to develop the leadership skills and management techniques necessary for providing quality education in Indiana schools.

(2) How to improve teacher and student performance.

(3) How to strengthen communication and leadership skills required for the establishment of a broad based support for public education.

(4) Management skills for use in improving curriculum and instruction.

(5) How to improve the school environment.

(b) The director of the academy shall, with staff support, and subject to approval by the advisory board, develop a plan for continuing education by the academy of public school principals who have completed initial training at the academy.

Sec. 7. To be eligible for admission to the academy, a participant must be a practicing public school principal for a public school located in Indiana. Admission preference must be given to those school principals who have at least three (3) years of administrative experience in Indiana public schools and intend to continue as public school principals.

Chapter 3. Teacher Referral System

Sec. 1. As used in this chapter, "referral system" refers to the teacher employment opportunities referral system established by section 2 of this chapter.

Sec. 2. The department shall establish and keep current a computerized teacher employment opportunities referral system.

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Sec. 3. The referral system must:

(1) be capable of identifying the available public school teaching positions within Indiana;

(2) provide the pertinent information on individuals who are seeking employment as teachers; and

(3) be accessible to school corporations, teachers, prospective teachers, and state educational institutions.

Sec. 4. The department shall disseminate the necessary information to school corporations and state educational institutions to provide awareness of the availability of the referral system to the pertinent parties.

Chapter 4. Ambassador for Education

Sec. 1. The following are the goals of the ambassador for education program:

(1) Enhance the stature of teachers and the teaching profession.

(2) Inspire and attract talented young people to become teachers.

(3) Promote the teaching profession within community and business groups.

(4) Support the activities of the Future Teachers of America clubs.

(5) Represent Indiana teachers at business, education, and teacher leadership conferences and meetings.

(6) Reward the teacher of the year for the teacher's outstanding contributions to the teaching profession.

(7) Reward the teacher of the year for the teacher's contributions to the teacher's classroom and school.

Sec. 2. As used in this chapter, "ambassador" refers to the ambassador for education established by section 4 of this chapter.

Sec. 3. As used in this chapter, "school" means a school corporation or an accredited nonpublic school.

Sec. 4. The position of ambassador for education is established to act as an education liaison to Indiana schools.

Sec. 5. A teacher in a school who:

(1) is selected by the state superintendent as teacher of the year; and

(2) agrees to be ambassador;

is ambassador for a one (1) year term beginning July 1 after selection as teacher of the year and ending the following June 30.

Sec. 6. (a) The school where an ambassador is regularly employed shall do the following:

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(1) Grant the ambassador a one (1) year professional leave to serve as ambassador during the ambassador's term.

(2) Allow the ambassador to return to the school from the professional leave:

(A) to the same or a comparable position as the ambassador held before the professional leave; and

(B) without loss of accrued benefits or seniority.

(3) Continue to provide the ambassador all benefits of employment with the school other than salary.

(b) The department shall reimburse a school for the cost of benefits provided by the school to an ambassador under subsection (a)(3).

Sec. 7. An ambassador may elect to serve the one (1) year professional leave at:

(1) an Indiana institution of higher education; or

(2) the department.

Sec. 8. If an ambassador elects to serve a one (1) year professional leave with the department, the following apply:

(1) The state coordinator of the ambassador for education program, as designated by the state superintendent, shall establish the ambassador's duties.

(2) The ambassador is entitled to receive from the department the following:

(A) A salary in place of compensation from the school where the ambassador is regularly employed that equals the salary that the ambassador, if not serving as ambassador, would receive during the school year of the ambassador's term from the school where the ambassador is regularly employed.

(B) Actual expenses of the ambassador incurred as a result of the performance of duties under this chapter.

Sec. 9. If an ambassador elects to serve a one (1) year professional leave with an Indiana institution of higher education, the following apply:

(1) The dean of the institution's school of education or the equivalent officer shall establish the ambassador's duties.

(2) The ambassador is entitled to receive from the institution the amount of compensation that the institution offers the ambassador.

(3) The ambassador is entitled to receive from the department compensation in an amount that when added to the amount provided under subdivision (2) equals the salary that the

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ambassador, if not serving as ambassador, would receive during the school year of the ambassador's term from the school where the ambassador is regularly employed.

Sec. 10. The ambassador's duties must match the relative skills and education background of the ambassador and reflect the goals of the ambassador for education program. However, duties may include the following:

(1) Providing professional development seminars and workshops in the subject matter areas in which the ambassador has expertise.

(2) Accompanying the state superintendent in the exercise of the state superintendent's duties throughout Indiana.

Chapter 5. Textbook Adoption

Sec. 1. (a) Subject to section 3 of this chapter, the state board shall adopt textbooks and enter into contracts with publishers to furnish the textbooks at fixed prices.

(b) For each subject for which credit is given in the public schools and for each grade, the state board shall adopt as many textbooks as the state board finds satisfactory.

(c) In addition to adopting textbooks under this chapter, the state board may recommend to school corporations as many as seven (7) textbooks from the list of adopted textbooks that the state board finds most satisfactory.

(d) The state board shall make regular adoptions and enter into contracts each year for every subject in one (1) subject classification under section 6 of this chapter. The term of a contract is six (6) years.

(e) The state board in a call for bids may exempt a certain textbook category or categories in nonrequired subject matter areas from being bid.

Sec. 2. (a) If:

(1) a textbook was:

(A) adopted by the state board at the state board's last regular adoption of textbooks for that subject; or

(B) adopted by the state board under section 7 or 8 of this chapter within the last six (6) years; and

(2) the publisher does not submit a bid proposal for that textbook at the next regular adoption of textbooks for that subject;

a school corporation may continue to use that textbook unless the state board finds that the textbook is no longer satisfactory.

(b) This section does not require a publisher to submit a bid or

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enter into a contract for the continued sale of a textbook.

(c) A textbook whose continued use is authorized by this section may be used for a maximum of six (6) years after the expiration of the textbook's original adoption.

Sec. 3. The state board may adopt only textbooks that:

(1) have been recommended by the advisory committee on textbook adoption established by IC 20-19-2-3; or

(2) are approved by seven (7) members of the board.

Sec. 4. In adopting textbooks, the state board shall give priority to textbooks written at a reading level appropriate to the grade for which the textbooks will be used.

Sec. 5. (a) The following classifications encompass all subjects in all grades of the public schools for which credit is given:

(1) Language arts/English, spelling, and literature.

(2) Social studies.

(3) Mathematics.

(4) Science and health education.

(5) Miscellaneous.

(6) Language arts/reading and handwriting.

(7) Foreign languages.

(b) If the classification for a textbook subject is unclear, the classification shall be determined by the rules of the state board.

Sec. 6. (a) In 2008 and every sixth year thereafter, the state board shall adopt and contract for textbooks for each subject under the classification of social studies.

(b) In 2009 and every sixth year thereafter, the state board shall adopt and contract for textbooks for each subject under the classification of mathematics.

(c) In 2010 and every sixth year thereafter, the state board shall adopt and contract for textbooks for each subject under the classification of science and health education.

(d) In 2005 and every sixth year thereafter, the state board shall adopt and contract for textbooks for each subject under the classification of miscellaneous.

(e) In 2006 and every sixth year thereafter, the state board shall adopt and contract for textbooks for each subject under the classification of language arts/reading and handwriting.

(f) In 2007 and every sixth year thereafter, the state board shall adopt and contract for textbooks for each subject under the following classifications:

(1) Language arts/English, spelling, and literature.

(2) Foreign languages.

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Sec. 7. (a) The state board may make additional adoptions as new textbooks become available or as waivers are granted under IC 20-26-12-28.

(b) A contract for a textbook that was adopted after a regular adoption expires at the same time as a contract that was entered into at a regular adoption of textbooks in the subject in which the textbook is classified under section 5 of this chapter.

Sec. 8. If a new subject is to be taught in any grade, the state board shall, at its next adoption meeting, adopt and contract for textbooks for that subject and grade. A contract entered into under this section may extend only for the period required for its expiration to coincide with the expiration of contracts for textbooks for other subjects in the same classification.

Sec. 9. The state board shall hold a public hearing each year before establishing adoption categories for an adoption year to solicit comments from the public about the determination of adoption categories and the evaluation and selection of textbook materials submitted in the categories.

Sec. 10. (a) The state superintendent shall issue a press release to the news media about the availability of the textbooks submitted for adoption for public inspection. The press release must:

(1) state the dates, times, and places where the textbooks will be available for inspection; and

(2) encourage the public to inspect the submitted textbooks and submit written comments to the state board.

The state superintendent shall mail the press release to the superintendent of each school corporation to make available to interested citizens.

(b) The state board shall make the textbooks submitted for adoption available for public inspection during regular business hours for at least six (6) weeks, beginning on or before September 15 of each year, at a textbook review center in each of the nine (9) education service center regions established by the state board under IC 20-20-1.

Sec. 11. The state board shall conduct public hearings as often as necessary to receive and consider public testimony concerning the submitted textbooks before making a final adoption.

Sec. 12. Thirty (30) days before a meeting to adopt textbooks and contracts, the state board shall publish a notice of the meeting in two (2) daily newspapers, each of which:

(1) has paid circulation of at least eighty-five thousand (85,000); and

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(2) is published in Indiana.

The notice must include a complete list of all subjects and grades for which textbooks are to be adopted at the meeting.

Sec. 13. The state board shall accept sealed bids from publishers who submit textbooks for adoption under this chapter. A bid must state the exact price at which the publisher furnishes each textbook. Specimen copies of every submitted textbook and an affidavit that states the following must accompany each bid:

(1) The publisher is not connected with any other publisher bidding at the same time.

(2) The publisher does not have a pecuniary interest in any other publisher bidding at the same time.

(3) The publisher is not a party to any agreement that would deny the benefits of competition to the people of Indiana.

If a submitted textbook is a revised version of a previously adopted textbook, the bidder shall state that fact in the affidavit and shall indicate if the revised version varies substantively from the previously adopted version.

Sec. 14. The state board may reject one (1) or more bids. When a bid proposes more than one (1) textbook, the state board may accept the bid in part or in whole.

Sec. 15. (a) The state board shall evaluate all textbooks submitted for approval based on the following criteria:

(1) Amount and quality of material in the textbook.

(2) Correlation between the subject matter of the textbook and the description adopted by the state board.

(3) Style of binding.

(4) Mechanical execution of the textbook.

(5) Price.

(b) The state board shall select educators and other individuals to serve as textbook evaluators.

Sec. 16. The state board may not approve a textbook that contains anything of a partisan or sectarian character.

Sec. 17. The letting of contracts for textbooks shall be competitive. A person may bid to furnish any textbook regardless of whether the textbook is used in Indiana schools at the time of bidding.

Sec. 18. The state superintendent shall notify the governing bodies of all school corporations of all textbook adoptions immediately after adoption.

Sec. 19. A publisher that has a textbook adopted must post a five thousand dollar ($5,000) bond to the acceptance and satisfaction of

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the governor. The bond must be conditioned on the publisher's adequately and properly furnishing all adopted textbooks in the manner prescribed by the state board and at the quoted prices. If a publisher fails to adequately and properly furnish an adopted textbook, the state board may cancel the adoption of the textbook.

Sec. 20. (a) The state board and publishers of adopted textbooks shall enter into contracts approved by the attorney general. A contract must specify terms, specifications, price, and other necessary matters. If a publisher of an adopted textbook sells the same book elsewhere at a lower price than in Indiana, the publisher shall make that lower price apply to all subsequent sales in Indiana. On refusal by a publisher to make this lower price available, the governor shall investigate to verify that the publisher is selling the same book at a lower price and under similar conditions elsewhere than in Indiana. If the governor's investigation verifies that such a sale has occurred, the governor shall cancel the adoption of the textbook involved.

(b) A contract entered into under this chapter must provide that the publisher agrees to grant a license to the state board to allow for the reproduction of adopted textbooks in:

(1) large type;

(2) braille; and

(3) an audio format.

(c) Subject to subsection (e), a contract entered into under this chapter for a textbook must require a publisher to furnish, not more than sixty (60) days after a request is submitted by the board to the publisher, electronic formats for literary subject areas in:

(1) the American Standard Code of Information Interchange (or ASCII); or

(2) other electronic formats as determined by the board;

from which braille versions of the textbooks can be produced.

(d) Subject to subsection (e), if braille specialty code translation computer software is available, each contract under this chapter must require that a publisher furnish electronic formats in:

(1) the American Standard Code of Information Interchange (ASCII); or

(2) other electronic formats as determined by the board;

for nonliterary subjects as determined by the board in areas such as natural and computer science, mathematics, and music.

(e) The board may waive the requirements described in subsections (c) and (d) if a publisher:

(1) offers a braille version of a specific textbook title as a

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commercial product;

(2) offers the braille version described in subdivision (1) at a price that does not exceed standard braille costs; and

(3) agrees to deliver the braille textbook not more than forty-five (45) days after the board submits a request to the publisher in this regard.

Sec. 21. Adoptions and contracts made under this chapter become effective on July 1 of the year following the year in which the contract or adoption was made.

Sec. 22. A contract made under this chapter must provide that:

(1) the state is not liable to a contracting publisher for any sum; and

(2) the publisher receives compensation solely from the sale of textbooks under IC 20-26-12.

Sec. 23. (a) A textbook contract made under this chapter must provide that the contracting publisher may agree to furnish a sufficient number of textbooks selected under IC 20-26-12-24 to:

(1) a requesting school corporation; or

(2) one (1) or more dealers designated by a requesting school corporation.

(b) A contract described in subsection (a) must contain the following terms:

(1) Textbooks paid for in cash within sixty (60) days after delivery must be furnished at the net wholesale price of the textbooks plus transportation costs.

(2) Textbooks purchased on a time basis must be furnished at the net wholesale price plus transportation costs plus interest on the unpaid balance, subject to any restrictions in this chapter on time basis purchases.

Sec. 24. A member of the state board or the advisory committee on textbook adoption established by IC 20-19-2-3 shall disclose any financial interest that the member has in any textbook considered for adoption.

Sec. 25. The state board may adopt rules under IC 4-22-2 to assist in the administration of this chapter.

Chapter 6. General Educational Development Diploma Program

Sec. 1. The department may grant a state of Indiana general educational development (GED) diploma to an individual who:

(1) is at least seventeen (17) years of age;

(2) is not subject to compulsory school attendance; and

(3) achieves satisfactory high school level scores on the general educational development (GED) test or any other

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properly validated tests of comparable difficulty designated by the board.

Sec. 2. The department is responsible for the administration of the testing program provided in this chapter.

Sec. 3. (a) The state board shall adopt rules under IC 4-22-2 to provide for the implementation and administration of this chapter.

(b) The rules may include the following provisions:

(1) Qualifications of applicants.

(2) Acceptable tests.

(3) Acceptable test scores.

(4) Criteria for retesting.

Sec. 4. A high school equivalency certificate issued under this chapter before July 1, 1995, is equivalent to a state of Indiana general educational development (GED) diploma.

Chapter 7. High School Diploma Program for Eligible Veterans

Sec. 1. As used in this chapter, "department of veterans' affairs" refers to the Indiana department of veterans' affairs established by IC 10-17-1-2.

Sec. 2. As used in this chapter, "diploma" refers to a high school diploma.

Sec. 3. As used in this chapter, "eligible veteran" refers to an individual who has the following qualifications:

(1) Served as a member of the armed forces of the United States at any time during at least one (1) of the following periods:

(A) Beginning April 6, 1917, and ending November 11, 1918 (World War I).

(B) Beginning December 7, 1941, and ending December 31, 1946 (World War II).

(2) Before the military service described in subdivision (1):

(A) attended a public or nonpublic high school in Indiana; and

(B) was a student in good standing at the high school described in clause (A), to the satisfaction of the department of veterans' affairs.

(3) Did not graduate or receive a diploma because of leaving the high school described in subdivision (2) for the military service described in subdivision (1).

(4) Was honorably discharged from the armed forces of the United States.

Sec. 4. As used in this chapter, "program" refers to the high school diploma program for eligible veterans established by section

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6 of this chapter.

Sec. 5. As used in this chapter, "school corporation" includes a successor school corporation serving the area where a high school that no longer exists was once located.

Sec. 6. The high school diploma program for eligible veterans is established to provide for the issuance of high school diplomas to certain veterans.

Sec. 7. (a) The department and the department of veterans' affairs shall jointly design a form for the application for issuance of a diploma under the program.

(b) The application form must require at least the following information about an eligible veteran:

(1) Personal identification information.

(2) Military service information, including a copy of the eligible veteran's honorable discharge.

(3) High school information, including the following:

(A) Name and address, including county, of the last high school attended.

(B) Whether the high school was a public or nonpublic school.

(C) Years attended.

(D) Year of leaving high school to begin military service.

(E) Year in which the veteran would have graduated if the veteran had not left high school to begin military service.

(4) If the high school attended was a public school, whether the veteran prefers receiving a diploma issued by:

(A) the state board; or

(B) the governing body of the school corporation governing the high school.

Sec. 8. The department of veterans' affairs shall do the following for individuals that the department of veterans' affairs has reason to believe may be eligible to apply for a diploma under the program:

(1) Give notice of the program.

(2) Describe the application procedure.

(3) Furnish an application form.

Sec. 9. The following individuals may apply for the issuance of a diploma to an eligible veteran under the program:

(1) An eligible veteran, including an eligible veteran who has received a general educational development (GED) diploma issued under IC 20-20-6 or a similar diploma.

(2) An individual who is:

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(A) the surviving spouse of; or

(B) otherwise related to;

an eligible veteran who is deceased.

Sec. 10. An applicant for a diploma under the program must submit a completed application form to the department of veterans' affairs.

Sec. 11. Upon receipt of an application, the department of veterans' affairs shall do the following:

(1) Verify the accuracy of the information in the application, in consultation with the department, if necessary.

(2) Forward the verified application to the department.

Sec. 12. Upon receipt of a verified application, the department shall do the following:

(1) If the applicant:

(A) expresses a preference in the application to receive a diploma issued by the state board; or

(B) attended a nonpublic high school before leaving high school for military service;

the department shall present a diploma issued by the state board.

(2) If the applicant expresses a preference for receiving a diploma from the governing body of the school corporation containing the public high school that the eligible veteran left for military service, the department shall direct the governing body of the affected school corporation to issue and present the diploma.

Sec. 13. (a) The department and governing bodies are encouraged but are not required to hold a ceremony to present a diploma that is issued under the program.

(b) Upon request of a governing body, the department, in cooperation with the department of veterans' affairs, shall assist the governing body to develop a variety of formats for appropriate ceremonies at which to award diplomas under the program.

Sec. 14. (a) The state board shall design a unique commemorative diploma for the board to issue to eligible veterans who:

(1) attended a public high school and express in the application a preference for receiving a diploma that the state board issues; or

(2) attended a nonpublic high school.

(b) The state board shall design a unique commemorative diploma that a governing body may choose to issue under the

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program.

Sec. 15. (a) A governing body may design a unique commemorative diploma for the governing body to issue under the program.

(b) A governing body that issues a diploma under the program shall issue one (1) of the following types of diplomas:

(1) The diploma described in subsection (a).

(2) The diploma designed by the state board under section 14(b) of this chapter.

(3) The same diploma that the governing body issues to current graduates.

Sec. 16. The department and the department of veterans' affairs shall work cooperatively to jointly administer this chapter.

Sec. 17. A fee may not be charged to process an application or to award a diploma under this chapter.

Sec. 18. The department and the department of veterans' affairs may adopt rules under IC 4-22-2 to implement this chapter.

Chapter 8. School Corporation Annual Performance Report

Sec. 1. As used in this chapter, "benchmark" refers to a benchmark established under this chapter.

Sec. 2. As used in this chapter, "report" refers to the school corporation annual performance report required by this chapter.

Sec. 3. (a) Not earlier than January 15 or later than January 31 of each year, the governing body of a school corporation shall publish an annual performance report of the school corporation, in compliance with the procedures identified in section 7 of this chapter. The report must be published one (1) time annually under IC 5-3-1.

(b) The department shall make each school corporation's report available on the department's Internet web site. The governing body of a school corporation may make the school corporation's report available on the school corporation's Internet web site.

(c) The governing body of a school corporation shall provide a copy of the report to a person who requests a copy. The governing body may not charge a fee for providing the copy.

Sec. 4. Not later than sixty (60) days after the publication of the report, the governing body of a school corporation may conduct a public hearing at a location within the school corporation to present and discuss the report. The governing body may conduct the meeting in conjunction with a regular meeting of the governing body.

Sec. 5. A school corporation shall provide a copy of the report

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to the department.

Sec. 6. A report must contain the following:

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

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

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

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

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

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

(D) Levels of parental participation.

Sec. 7. The state superintendent and the state board, in consultation with school corporations, educational organizations, appropriate state agencies, and other organizations and individuals having an interest in education, shall develop and periodically revise the following for the benchmarks and indicators of performance under section 8 of this chapter and the additional components of the performance report:

(1) Reporting procedures, including the following:

(A) A determination of the information that a school corporation must compile and the information that the department must compile.

(B) A determination of the information required on a school by school basis and the information required on a school corporation basis.

(C) A common format suitable for publication, including tables, graphics, and explanatory text.

(2) Operational definitions.

(3) Standards for implementation.

(4) Additional components for the report that may be benchmarks, indicators of performance, or other information.

Sec. 8. The report must include the following information:

(1) Student enrollment.

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

(3) Attendance rate.

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

(A) ISTEP program test scores.

(B) Scores for assessments under IC 20-32-5-21, if appropriate.

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

(5) Average class size.

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

(A) Alternative education, if offered.

(B) Vocational education.

(C) Special education.

(D) Gifted or talented, if offered.

(E) Remediation.

(F) Limited English language proficiency.

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

(7) Advanced placement, including the following:

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

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

(ii) taking the test.

(B) For the Scholastic Aptitude Test:

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

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

(iii) the percentage of students taking the test.

(8) Course completion, including the number and percentage of students completing the following programs:

(A) Academic honors diploma.

(B) Core 40 curriculum.

(C) Vocational programs.

(9) The percentage of grade 8 students enrolled in algebra I.

(10) The percentage of graduates who pursue higher education.

(11) School safety, including the number of students receiving suspension or expulsion for the possession of alcohol, drugs, or weapons.

(12) Financial information and various school cost factors, including the following:

(A) Expenditures per pupil.

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(B) Average teacher salary.

(C) Remediation funding.

(13) Technology accessibility and use of technology in instruction.

(14) Interdistrict and intradistrict student mobility rates, if that information is available.

(15) The number and percentage of each of the following within the school corporation:

(A) Teachers who are certificated employees (as defined in IC 20-29-2-4).

(B) Teachers who teach the subject area for which the teacher is certified and holds a license.

(C) Teachers with national board certification.

(16) The percentage of grade 3 students reading at grade 3 level.

(17) The number of students expelled, including the number participating in other recognized education programs during their expulsion.

(18) Chronic absenteeism, which includes the number of students who have been absent more than ten (10) days from school within a school year without being excused.

(19) Other indicators of performance as recommended by the education roundtable under IC 20-19-4.

Sec. 9. The department shall annually produce and distribute in paper and electronic formats a compiled report that includes the reports of all school corporations.

Chapter 9. School Grant Writing and Fund Raising Assistance Program

Sec. 1. As used in this chapter, "program" refers to the school grant writing and fund raising assistance program established by section 2 of this chapter.

Sec. 2. The school grant writing and fund raising assistance program is established to do the following:

(1) Identify potential sources of funds for educational purposes for which a school corporation or a school may qualify, including federal programs and private sources.

(2) Disseminate information concerning funds identified under subdivision (1) to school corporations and schools.

(3) Assist school corporations and schools in applying for funds identified under subdivision (1).

Sec. 3. The department shall administer the program using funds received under IC 9-18-31-6(2).

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Chapter 10. Technology Preparation Task Force

Sec. 1. As used in this chapter, "task force" refers to the technology preparation task force established by section 2 of this chapter.

Sec. 2. (a) The technology preparation task force is established to design and approve:

(1) technology preparation curriculum models; and

(2) teacher and staff training to implement the technology preparation models.

(b) The:

(1) state superintendent;

(2) commissioner of workforce development; and

(3) executive officer of the commission for higher education;

shall each appoint three (3) members to the task force. The members appointed to the task force must include representatives of school corporations and state educational institutions.

Sec. 3. (a) The curriculum models developed by the task force must:

(1) be performance based;

(2) provide a student with:

(A) the skills necessary to gain employment upon graduation from high school; and

(B) the subject or skills areas required by a state educational institution (as defined in IC 20-12-0.5-1) to gain admittance into the respective state educational institution;

upon the satisfactory fulfillment of the curriculum;

(3) relate to a broad scope of occupational opportunities;

(4) include math, science, and English/language arts courses taught through practical application and designed to meet graduation requirements for those subjects;

(5) be designed to include secondary and postsecondary sequence models; and

(6) allow for dual credit, advanced study, and cooperative agreements.

(b) The task force shall identify certain occupations for secondary and postsecondary articulation curriculum agreements in cooperation with the department of workforce development.

Sec. 4. (a) The department shall require all school corporations to make available to the school corporation's high school students the technology preparation curriculum.

(b) The state board shall implement teacher and staff training

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for the technology preparation curriculum.

(c) This chapter does not eliminate the approved industrial arts/technology education curriculum adopted by the state board by rule in effect on July 1, 1990.

Sec. 5. Expenditure for equipment necessary to implement this chapter by a school corporation may be paid for:

(1) through technology loans from the common school fund; or

(2) from the school corporation's capital projects fund.

Sec. 6. The state board shall adopt rules under IC 4-22-2 to implement this chapter.

Chapter 11. Research and Development Program

Sec. 1. As used in this chapter, "program" refers to the research and development program established by section 2 of this chapter.

Sec. 2. (a) The research and development program is established to fund certain programs, projects, studies, or other education initiatives undertaken or authorized to be undertaken by the department.

(b) The department shall implement the program.

(c) Unexpended money appropriated to the department for use in implementing the program under this chapter at the end of a state fiscal year does not revert to the state general fund but remains available to the department for its continued use under this chapter.

Sec. 3. (a) The types of initiatives for which money appropriated to the program may be used include the following:

(1) Conducting feasibility studies concerning the following:

(A) Mandating full-day or half-day kindergarten programs.

(B) Choice of enrollment programs.

(C) Establishing magnet schools.

(2) An evaluation of P.L.390-1987(ss).

(3) Exploring different or expanded testing methods.

(4) An evaluation of the primetime program under IC 21-1-30.

(5) Administering pilot programs concerning school academic readiness factors of students in kindergarten and grades 1 and 2.

(6) Studying the implications of offering preschool programs for special education students.

(7) Conducting the student services programs under IC 20-20-27.

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(8) The Indiana writing project.

(b) The evaluation of P.L.390-1987(ss) and the primetime program described in subsection (a)(2) and (a)(4) shall be conducted by an entity other than the department under a contract entered into by the department.

(c) The student services programs under subsection (a)(7) shall be funded under the program based upon criteria approved by the department. The programs must include a study of:

(1) the role of the public school guidance counselor; and

(2) the guidance counselor proficiency statements developed under P.L.342-1989(ss), SECTION 39, as approved by the department.

Chapter 12. Program for the Advancement of Math and Science

Sec. 1. The department shall administer the advanced placement program established by IC 20-36-3-4(a).

Chapter 13. Educational Technology Program and Grants

Sec. 1. As used in sections 13 through 24 of this chapter, "grant" refers to a technology plan grant under sections 13 through 24 of this chapter.

Sec. 2. As used in sections 13 through 24 of this chapter, "group" includes the school corporations that are placed in a group of school corporations under sections 13 through 24 of this chapter.

Sec. 3. As used in sections 13 through 24 of this chapter, "school corporation" includes, except as otherwise provided in this chapter, the Indiana School for the Deaf established by IC 20-22-2-1 and the Indiana School for the Blind established by IC 20-21-2-1.

Sec. 4. As used in sections 6 through 12 of this chapter, "technology equipment" means computer hardware, computer software, related teacher training services, related instructional manuals and materials, and equipment servicing.

Sec. 5. As used in sections 13 through 24 of this chapter, "technology plan" refers to a technology plan developed under section 7 of this chapter.

Sec. 6. (a) The educational technology program and fund is established to provide and extend educational technologies to elementary and secondary schools for:

(1) the 4R's technology grant program to assist school corporations (on behalf of public schools) in purchasing technology equipment:

(A) for kindergarten and grade 1 students, to learn

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reading, writing, and arithmetic using technology;

(B) for students in all grades, to understand that technology is a tool for learning; and

(C) for students in kindergarten through grade 3 who have been identified as needing remediation, to offer daily remediation opportunities using technology to prevent those students from failing to make appropriate progress at the particular grade level;

(2) providing educational technologies, including computers in the homes of students;

(3) conducting educational technology training for teachers; and

(4) other innovative educational technology programs.

(b) The department may also use money in the fund under contracts entered into with the Indiana department of administration and the state data processing oversight commission to study the feasibility of establishing an information telecommunications gateway that provides access to information on employment opportunities, career development, and instructional services from data bases operated by the state among the following:

(1) Elementary and secondary schools.

(2) Institutions of higher learning.

(3) Vocational educational institutions.

(4) Libraries.

(5) Any other agencies offering education and training programs.

(c) The fund consists of:

(1) state appropriations;

(2) private donations to the fund;

(3) money directed to the fund from the corporation for educational technology under IC 20-20-15; or

(4) any combination of the amounts described in subdivisions (1) through (3).

(d) The program and fund shall be administered by the department.

(e) Unexpended money appropriated to or otherwise available in the fund for the department's use in implementing the program under this chapter at the end of a state fiscal year does not revert to the state general fund but remains available to the department for use under this chapter.

(f) Subject to section 7 of this chapter, a school corporation may

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use money from the school corporation's capital projects fund as permitted under IC 21-2-15-4 for educational technology equipment.

Sec. 7. (a) Notwithstanding any other law, a school corporation is not entitled to:

(1) receive any money under this chapter or IC 20-20-15;

(2) use money from the school corporation's capital projects fund for educational technology equipment under IC 21-2-15-4; or

(3) receive an advance from the common school fund for an educational technology program under IC 21-1-5;

unless the school corporation develops a three (3) year technology plan.

(b) Each technology plan must include at least the following information:

(1) A description of the school corporation's intent to integrate technology into the school corporation's curriculum.

(2) A plan for providing inservice training.

(3) A schedule for maintaining and replacing educational technology equipment.

(4) A description of the criteria used to select the appropriate educational technology equipment for the appropriate use.

(5) Other information requested by the department after consulting with the budget agency.

(c) The department shall develop guidelines concerning the development of technology plans. The guidelines developed under this subsection are subject to the approval of the governor.

Sec. 8. Upon the approval of the governor and the budget agency, the department may use funds available under this chapter to provide or extend education technology to any school corporation for purposes described in this chapter. The department (upon the approval of the governor and the budget agency) may direct funds under this chapter to the corporation for educational technology under IC 20-20-15 to further the corporation's purposes.

Sec. 9. (a) This section applies to the 4R's technology program described in section 6(a)(1) of this chapter.

(b) In addition to any other funds available under this chapter, if state funds are transferred under IC 20-32-5-19 to the 4R's technology program:

(1) those funds do not revert to the state general fund;

(2) those funds shall be made available to the 4R's technology

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program under this chapter; and

(3) the department, upon approval by the governor and the budget agency, shall use those funds to award grants under this section.

(c) To be eligible to receive a grant under the program, a school corporation must comply with the following:

(1) The school corporation must apply to the department for a grant on behalf of a school within the school corporation to purchase technology equipment.

(2) The school corporation must certify the following:

(A) That the school will provide every kindergarten and grade 1 student at that school the opportunity to learn reading, writing, and arithmetic using technology.

(B) That the school will provide daily before or after school technology laboratories for students in grades 1 through 3 who have been identified as needing remediation in reading, writing, or arithmetic.

(C) That the school will provide additional technology opportunities, that may include Saturday sessions, for students in other grade levels to use the technology laboratories for remediation in reading, writing, arithmetic, or mathematics.

(D) That the school will provide technology opportunities to students that attend remediation programs under IC 20-32-8 (if the school corporation is required to do so) or any other additional summer programs.

(E) That the school corporation, either through its own or the school's initiative or through donations made to the corporation for educational technology under IC 20-20-15 on behalf of the school corporation, is able to provide a part of the costs attributable to purchasing the necessary technology equipment.

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

(4) The school corporation or the school must:

(A) provide teacher training services; or

(B) use vendor provided teacher training services.

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

(6) The teachers who will be using the technology equipment

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must support the initiative described in this chapter.

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

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

Sec. 10. The department shall develop guidelines necessary to implement sections 6 through 9 of this chapter, including guidelines that require the school corporation to use the laboratories to the fullest extent possible.

Sec. 11. To be eligible to receive money under sections 6 through 9 of this chapter, a school corporation must apply to the department on forms provided by the department.

Sec. 12. A school corporation that receives a grant under sections 6 through 9 of this chapter must deposit the grant in the school technology fund established under IC 21-2-18.

Sec. 13. There is established a technology plan grant program.

Sec. 14. The department shall fund and administer the technology plan grant program.

Sec. 15. A school corporation qualifies for a technology plan grant under sections 13 through 24 of this chapter when the technology plan of the school corporation developed under section 7 of this chapter is approved by the department. For purposes of determining whether a school corporation qualifies for a grant under sections 13 through 24 of this chapter, the department shall:

(1) review;

(2) suggest changes;

(3) approve; or

(4) reject;

a school corporation's technology plan. However, before the department may approve a technology plan, the department must consult with the corporation for educational technology established by IC 20-20-15-3 on the contents of the technology plan.

Sec. 16. (a) This section applies when a school corporation does not qualify for a grant because the school corporation's technology plan has not been approved under section 15 of this chapter.

(b) The department shall delay grant distribution after the scheduled time for grant distribution until the school corporation's technology plan is approved. The delay is without loss or penalty to the school corporation. If the school corporation's technology

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plan is not approved by the end of the grant distribution period, the school corporation may not receive a grant distribution.

Sec. 17. The total technology plan grant amount to a qualifying school corporation is the amount determined by the department, with advice from the educational technology council established by IC 20-20-14-2, multiplied by the school corporation's ADM. The amount is one hundred dollars ($100). However, for the purposes of determining the ADM of a school corporation, students who are transferred under IC 20-33-4 or IC 20-26-11 shall be counted as students having legal settlement in the transferee corporation and not having legal settlement in the transferor corporation.

Sec. 18. A school corporation must use a grant received under sections 13 through 24 of this chapter to implement all or part of the school corporation's technology plan by funding uses that include the following:

(1) Support of the school corporation's remediation plans.
(2) Professional development related to technology.
(3) Computers in classrooms.
(4) Computers for teachers.
(5) Access to electronic gateways or telephone access to information providers.
(6) The buddy system project (as described in IC 20-20-15-4(1)(A)).
(7) Video distance learning.
(8) Wiring infrastructure.
(9) Salaries for management of the technology program.
(10) Technical support.
(11) Wide area networks and local area networks.
(12) Media distribution systems.
(13) Expansion of the 4R's technology program (as described in section 6(a)(1) of this chapter).
(14) Software.
(15) Library automation.
(16) Indiana public broadcasting services.
(17) Assistive technology devices for students with disabilities.

Sec. 19. (a) The department shall list all school corporations in Indiana according to assessed valuation for property tax purposes per student in ADM, beginning with the school corporation having the lowest assessed valuation for property tax purposes per student in ADM. For purposes of the list made under this section, the Indiana School for the Deaf established by IC 20-22-2-1 and the Indiana School for the Blind established by IC 20-21-2-1 shall be

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considered to have the lowest assessed valuation for property tax purposes per student in ADM during the six (6) year period beginning July 1, 2001.

(b) The department must prepare a revised list under subsection (a) before a new series of grants may begin.

(c) The department shall determine those school corporations to be placed in a group to receive a grant in a fiscal year under sections 13 through 24 of this chapter as follows:

(1) Beginning with the school corporation that is first on the list developed under subsection (a), the department shall continue sequentially through the list and place school corporations that qualify for a grant under section 15 of this chapter in a group until the cumulative total ADM of all school corporations in the group depletes the money that is available for grants in the fiscal year.

(2) Each fiscal year the department shall develop a new group by continuing sequentially through the list beginning with the first qualifying school corporation on the list that was not placed in a group in the prior fiscal year.

(3) If the final group developed from the list contains substantially fewer students in ADM than available money, the department shall:

(A) prepare a revised list of school corporations under subsection (a); and

(B) place in the group qualifying school corporations from the top of the revised list.

(4) The department shall label the groups with sequential numbers beginning with "group one".

Sec. 20. (a) Except as provided in subsection (b), in a state fiscal year, the department shall distribute grants to only two (2) groups of school corporations with each of the two (2) groups receiving fifty percent (50%) of the group's total grant amount.

(b) In state fiscal year 1996-1997:

(1) the department shall begin grant distribution under sections 13 through 24 of this chapter; and

(2) the school corporations in group one shall receive one hundred percent (100%) of the group's total grant.

(c) Beginning in state fiscal year 1997-1998, the department shall:

(1) distribute grants so that school corporations in group two receive:

(A) fifty percent (50%) of group two's total grant in the

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first year of distribution; and

(B) fifty percent (50%) of group two's total grant in the second year of distribution; and

(2) continue in group number sequence so that school corporations in each group receive:

(A) fifty percent (50%) of the group's total grant in the first year of distribution to the group; and

(B) fifty percent (50%) of the group's total grant in the second year of distribution to the group.

Sec. 21. A school corporation shall report to the department on the use of grant money received under sections 13 through 24 of this chapter. A school corporation that fails to make a report under this section is not eligible for a subsequent grant.

Sec. 22. (a) This section applies in a year when a school corporation receives a grant under sections 13 through 24 of this chapter. The school corporation's capital projects fund budget must include an expenditure for technology that is not less than the school corporation's average annual expenditure for technology from the capital projects fund in the six (6) budget years preceding the year of the grant. If the Indiana School for the Deaf established by IC 20-22-2-1 or the Indiana School for the Blind established by IC 20-21-2-1 receives a grant under sections 13 through 24 of this chapter, the school's expenditures for technology in the year of the grant must exceed the school's average annual expenditure for technology in the six (6) budget years preceding the year of the grant.

(b) For each year that a school corporation fails to observe subsection (a), the school corporation forfeits a grant under sections 13 through 24 of this chapter. The forfeit of the grant must occur in the first grant year after the school corporation fails to observe subsection (a).

Sec. 23. The department shall develop guidelines to implement sections 13 through 24 of this chapter.

Sec. 24. A school corporation that receives a grant under sections 13 through 24 of this chapter shall deposit the grant in the school technology fund established under IC 21-2-18. If the Indiana School for the Deaf established by IC 20-22-2-1 or the Indiana School for the Blind established by IC 20-21-2-1 receives a grant under sections 13 through 24 of this chapter, the school shall deposit the grant in an account or fund that the school uses exclusively for the funding of technology.

Chapter 14. Educational Technology Council

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Sec. 1. As used in this chapter, "council" refers to the educational technology council established by section 2 of this chapter.

Sec. 2. The educational technology council is established.

Sec. 3. (a) The council shall advise the state superintendent and the governor on education related technology initiatives.

(b) The appointed membership of the council shall reflect its purposes and be experienced in technology generally. An appointed member of the council serves at the pleasure of the appointing authority. The council consists of the following sixteen (16) voting members:

(1) The state superintendent.

(2) The special assistant to the state superintendent of public instruction responsible for technology who is appointed under section 5 of this chapter.

(3) Four (4) individuals who represent private business appointed jointly by the state superintendent and the governor. Each member appointed under this subdivision must be experienced in development and use of information technology. A member appointed under this subdivision may not represent possible providers of technology or related services.

(4) Three (3) individuals who:

(A) manage educational environments, including higher education; and

(B) are experienced in their educational work with information technology;

are appointed jointly by the state superintendent and the governor.

(5) Three (3) individuals who are public school educators familiar with and experienced in the use of technology in educational settings appointed jointly by the state superintendent and the governor, with one (1) representing an urban school corporation, one (1) representing a suburban school corporation, and one (1) representing a rural school corporation.

(6) Four (4) members who are members of the general assembly and who are appointed as follows:

(A) Two (2) members of the house of representatives, appointed by the speaker of the house of representatives with not more than one (1) from a particular political party.

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(B) Two (2) members of the senate, appointed by the president pro tempore of the senate with not more than one (1) from a particular political party.

(c) The state superintendent shall designate the chair of the council from the membership of the council.

(d) Nine (9) members of the council constitute a quorum to conduct business. Action of the council is not valid unless approved by at least seven (7) voting members of the council.

(e) Each member of the council who is not a state employee is not entitled to the minimum salary per diem as provided by IC 4-10-11-2.1(b). The member is, however, entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(f) Each member of the council who is a state employee but who is not a member of the general assembly is entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(g) Each member of the council who is a member of the general assembly is entitled to receive the same per diem, mileage, and travel allowances paid to members of the general assembly serving on interim study committees established by the legislative council.

Sec. 4. The department may employ personnel or consultants, or both, to carry out the council's duties and functions.

Sec. 5. (a) The state superintendent shall appoint a special assistant for technology. The person appointed under this section serves at the pleasure of the state superintendent.

(b) The person appointed under subsection (a) must be experienced in the integration of educational technology initiatives, infrastructure management and support, and applied research into effective educational practices available to students and educators in the classroom. The state superintendent is encouraged to conduct a nationwide search for the best available talent to fill the position required by this section.

(c) The person appointed under subsection (a) shall coordinate the duties and functions of the department and the council under the following:

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(1) IC 20-20-13 (educational technology program and grants).

(2) This chapter.

(3) Any other law concerning educational technology or telecommunications.

Chapter 15. Corporation for Educational Technology

Sec. 1. As used in this chapter, "board" refers to the board of directors of the corporation.

Sec. 2. As used in this chapter, "corporation" refers to the corporation for educational technology established under section 3 of this chapter.

Sec. 3. (a) The state superintendent may, on behalf of the state, establish a private nonprofit corporation named "the corporation for educational technology".

(b) Upon:

(1) the establishment of the corporation;

(2) the corporation satisfying the conditions imposed by section 4 of this chapter; and

(3) the state superintendent certifying the corporation;

the corporation may perform the functions set forth in section 5 of this chapter.

(c) Before certification by the state superintendent, the corporation must conduct a public hearing to give all interested parties an opportunity to review and comment on the articles of incorporation, bylaws, and methods of operation of the corporation. Notice of the hearing must be given at least fourteen (14) days before the hearing in accordance with IC 5-14-1.5-5(b).

Sec. 4. The articles of incorporation and bylaws of the corporation must provide for the following:

(1) That the exclusive purposes of the corporation are to:

(A) administer a statewide computer project placing computers in homes of public school students (commonly referred to as the "buddy system project") and any other educational technology program or project jointly authorized by the state superintendent and the governor; and

(B) advise the state superintendent and the governor on education related technology initiatives, specifically those initiatives implemented through the educational technology program under IC 20-20-13.

(2) That the board is composed of sixteen (16) individuals who serve at the pleasure of the state superintendent and the governor and who shall be appointed jointly by the state

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superintendent and the governor as follows:

(A) Four (4) individuals who represent private business.

(B) Three (3) individuals who are public school educators with one (1) representing an urban school corporation, one (1) representing a suburban school corporation, and one (1) representing a rural school corporation.

(C) Four (4) individuals who are members of the general assembly and who are appointed as follows:

(i) Two (2) members of the house of representatives, appointed by the speaker of the house of representatives with not more than one (1) from a particular political party.

(ii) Two (2) members of the senate, appointed by the president pro tempore of the senate with not more than one (1) from a particular political party.

(D) Five (5) individuals who represent education.

(3) That the state superintendent shall designate the chair of the board from the membership of the board.

(4) That the board may select other officers the board considers necessary, including a vice chair, treasurer, or secretary.

(5) That the chair of the board may appoint subcommittees that the chair considers necessary to carry out the duties of the corporation.

(6) That the corporation, with the approval of the state superintendent, shall appoint or contract with a person to be president. The president shall serve as the chief operating officer of the corporation and may employ consultants to carry out the corporation's duties under this chapter.

(7) That a majority of the entire membership constitutes a quorum to do business. However, an action of the corporation is not valid unless approved by at least nine (9) members of the corporation.

(8) That each board member who is not a state employee is not entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). Such a member is, however, entitled to reimbursement for traveling expenses and other expenses actually incurred in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

(9) That each member of the board who is a state employee but who is not a member of the general assembly is entitled to

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reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

(10) That each member of the board who is a member of the general assembly is entitled to receive the same per diem, mileage, and travel allowances paid to members of the general assembly serving on interim study committees established by the legislative council.

(11) That the corporation may receive money from any source, including state appropriations, may enter into contracts, and may expend funds for any activities necessary, convenient, or expedient to carry out the exclusive purposes of the corporation.

(12) That an individual who makes a donation to the corporation may designate:

(A) the particular school corporation; or

(B) the educational technology program implemented by the corporation under IC 20-20-13;

to receive the donation, and that the corporation may not authorize the distribution of that donation in a manner that disregards or otherwise interferes with the donor's designation. However, an individual who wishes to make a donation under this chapter is not entitled to specify, designate, or otherwise require that the corporation use the donation to purchase particular technology equipment or patronize a particular vendor of technology equipment.

(13) That if the corporation elects to expend funds that have not been designated to a particular school corporation or educational technology program under IC 20-20-13, the corporation shall first expend those unspecified funds to school corporations or programs that have not been the recipient of a designated donation under subdivision (12).

(14) That the corporation shall take into account other programs and distributions available to school corporations for at risk students.

(15) That any changes in the articles of incorporation or bylaws must be approved by the board.

(16) That the corporation shall submit an annual report to the general assembly before November 2 of each year and that the report must include detailed information on the structure,

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operation, and financial status of the corporation and must be in an electronic format under IC 5-14-6.

(17) That the corporation is subject to an annual audit by the state board of accounts, and that the corporation shall pay the full costs of the audit.

Sec. 5. The corporation, after being certified by the state superintendent under section 3 of this chapter, may do the following:

(1) Take over the responsibilities and obligations associated with the project commonly referred to as the "buddy system project" as described in section 4(1)(A) of this chapter, which may include the following relating to the buddy system project:

(A) Conducting conferences on advances in technology and their application to the educational field.

(B) Upon the joint authorization by the state superintendent and the governor, establishing, operating, or managing education technology programs that:

(i) encourage the productive use of technology for instructing students in kindergarten through grade 12;

(ii) place technology directly with teachers and students, whether in school or otherwise to advance the education and skills and enhance the attitude of Indiana students who are in kindergarten through grade 12; or

(iii) accomplish both of the objectives described in items (i) and (ii).

(2) Administer all funds received by the corporation from whatever source to further the corporation's purposes, consistent with section 4(12) and 4(13) of this chapter.

Sec. 6. In administering the funds received by the corporation, the corporation may elect to direct corporation funds to the educational technology program under IC 20-20-13 in order to further the purposes of the educational technology program.

Sec. 7. Debts incurred by the corporation under authority of this chapter do not represent or constitute a debt of the state within the meaning of Indiana statutes or the Constitution of the State of Indiana.

Chapter 16. Access to Telecommunications Service

Sec. 1. The purpose of this chapter is to effectively:

(1) provide the methods and means by which all schools and libraries may receive access to resources available through technology and telecommunications services; and

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(2) maximize the eligibility, availability, and use of the federal and state funding mechanisms.

Sec. 2. As used in this chapter, "telecommunications services and equipment" includes all telecommunication services and equipment eligible for universal service fund discounts as described:

(1) in the federal Telecommunications Act of 1996 (P.L.104-104, 110 Stat. 56 (1996)) and applicable regulations or orders issued under that act;

(2) by the Indiana utility regulatory commission as allowed under the federal act; or

(3) in the intelenet commission or state library technology grant programs.

Sec. 3. The intelenet commission, with the department of education and the state library, shall coordinate available federal and state funds and funding mechanisms to accomplish full access to telecommunications services and equipment by all schools, libraries, and rural health care providers as defined in:

(1) the federal Telecommunications Act of 1996 (P.L.104-104, 110 Stat. 56 (1996)) and regulations or orders issued under that act; or

(2) any regulations or orders issued by the Indiana utility regulatory commission in fulfillment of the state's obligations under the act.

Chapter 17. School Intervention and Career Counseling Development Program and Fund

Sec. 1. As used in this chapter, "fund" refers to the school intervention and career counseling development fund established by section 4 of this chapter.

Sec. 2. As used in this chapter, "grant" refers to a grant from the fund.

Sec. 3. As used in this chapter, "school intervention and career counseling development program" refers to a program carried out under this chapter:

(1) for kindergarten through grade 6; and

(2) by a licensed school counselor.

Sec. 4. (a) As a result of a comprehensive study conducted by the department on the role of school counselors, including the expanding role of school counselors in career development under workforce development programs that affect public schools, the school intervention and career counseling development fund is established. The money in the fund shall be used to develop

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counseling models in a limited number of school corporations as determined by the department under this chapter.

(b) If a school corporation is awarded a grant under this chapter, the school corporation must:

(1) agree to evaluate the impact and results of the school corporation's program; and

(2) submit the school corporation's findings to the department.

(c) The department shall administer the fund.

(d) The fund consists of:

(1) gifts to the fund;

(2) appropriations from the general assembly;

(3) grants, including grants from private entities; and

(4) a combination of the resources described in subdivisions (1), (2), and (3).

Sec. 5. Subject to section 6 of this chapter, for a school corporation to be eligible to receive a grant under this chapter, the following must occur:

(1) The superintendent of the school corporation must apply to the department for a grant on forms provided by the department.

(2) The application for a grant must include the following information:

(A) A detailed description of a proposal for initiating or expanding a school intervention or career counseling program.

(B) Evidence supporting the school corporation's need to implement the school intervention or career counseling program.

(C) The number of elementary school counselors employed by the school corporation.

(D) The elementary school counselor/student ratio for the school corporation.

(E) Any other pertinent information required by the department, including evidence guaranteeing that if the school corporation receives a grant under this chapter, the school corporation has developed a plan to evaluate the impact and results of the school corporation's program.

Sec. 6. The department may award grants to school corporations:

(1) upon review of the applications received under section 5 of this chapter;

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(2) upon receipt of the recommendations from the advisory committee under section 10 of this chapter;

(3) subject to available money; and

(4) in accordance with the following priorities:

(A) To the extent possible, to achieve geographic balance throughout Indiana and to include urban, suburban, and rural school corporations.

(B) To address a documented need for new or expanded school intervention or career counseling programs, including considering the percentage of students within the school corporation who are designated as at risk students.

(C) To promote innovative methods for initiating or expanding school intervention or career counseling programs.

(D) To reward school corporations that propose school intervention or career counseling programs that demonstrate the greatest potential for replication and implementation in Indiana.

(E) To lower school counselor/student ratios where the ratios are excessively high.

Sec. 7. (a) Subject to subsection (b), the department shall determine the amount of each grant that is awarded under this chapter.

(b) A grant to a particular school corporation may not exceed:

(1) fifteen thousand dollars ($15,000) for each full-time counselor for each academic year, or seven thousand five hundred dollars ($7,500) for each full-time counselor for each semester; and

(2) the following total grant awards as each relates to the ADM of the school corporation at the time the school corporation applies for the grant:

(A) For a school corporation with an ADM of not more than five thousand (5,000), seventy-five thousand dollars ($75,000).

(B) For a school corporation with an ADM of at least five thousand one (5,001) and not more than nine thousand nine hundred ninety-nine (9,999), one hundred twenty thousand dollars ($120,000).

(C) For a school corporation with an ADM of at least ten thousand (10,000), one hundred eighty thousand dollars ($180,000).

Sec. 8. A grant received by a school corporation may be

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expended by the school corporation for a twenty-four (24) month period.

Sec. 9. The department shall develop guidelines necessary to implement this chapter.

Sec. 10. (a) An advisory committee composed of five (5) members is established.

(b) The state superintendent shall appoint the members of the advisory committee.

(c) The state superintendent shall:

(1) convene the advisory committee; and

(2) act as chair of the advisory committee.

The state superintendent may not be a member of the advisory committee.

(d) An employee of:

(1) the governor; or

(2) the department of education;

is eligible for appointment to the advisory committee.

(e) A member of the advisory committee serves at the pleasure of the appointing authority.

(f) A member of the advisory committee is not entitled to the following:

(1) The minimum salary per diem provided in IC 4-10-11-2.1(b).

(2) Reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties.

(g) The advisory committee shall do the following:

(1) Assist the department in developing the guidelines described in section 9 of this chapter.

(2) Establish standards for qualifying for a grant under this chapter.

(3) Review grant applications and make recommendations to the state superintendent concerning the awarding of grants.

(4) Evaluate the impact and results of the various school intervention and career counseling programs receiving grants under this chapter.

Chapter 18. Elementary School Counselors, Social Workers, and School Psychologists Program and Fund

Sec. 1. As used in this chapter, "fund" refers to the elementary school counselors, social workers, and school psychologists fund established by section 4 of this chapter.

Sec. 2. As used in this chapter, "grant" refers to a grant from the fund.

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Sec. 3. As used in this chapter, "program" refers to an elementary school counseling program, a social work program, or a school psychologist program carried out under this chapter:

(1) for kindergarten through grade 6; and

(2) by:

(A) a licensed school counselor;

(B) a licensed social worker who has obtained at least a master's degree; or

(C) a licensed school psychologist.

Sec. 4. (a) The elementary school counselors, social workers, and school psychologists fund is established. The money in the fund shall be used to assist school corporations in placing school counselors, social workers, and school psychologists in elementary schools through grants awarded as determined by the department under this chapter.

(b) If a school corporation is awarded a grant under this chapter, the school corporation must:

(1) agree to evaluate the impact and results of the school corporation's program; and

(2) submit the school corporation's findings to the department.

(c) The department shall administer the fund.

(d) The fund consists of:

(1) gifts to the fund;

(2) appropriations from the general assembly; and

(3) grants, including grants from private entities.

Sec. 5. Subject to section 6 of this chapter, for a school corporation to be eligible to receive a grant under this chapter, the following must occur:

(1) The superintendent of the school corporation must apply to the department for a grant on a form provided by the department.

(2) The application for a grant must include the following information:

(A) A detailed description of a proposal for placing school counselors, social workers, or school psychologists in elementary schools to provide services to students and their families.

(B) Evidence supporting the school corporation's need to implement the program.

(C) The number of elementary school counselors, social workers, and school psychologists employed by the school

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corporation.

(D) The elementary school:

(i) school counselor/student ratio;

(ii) social worker/student ratio; and

(iii) school psychologist/student ratio;

for the school corporation.

(E) Any other pertinent information required by the department, including evidence guaranteeing that if the school corporation receives a grant under this chapter, the school corporation will have developed a plan to evaluate the impact and results of the school corporation's program.

Sec. 6. Upon review of the applications received under section 5 of this chapter, the department may award grants to school corporations subject to available money and in accordance with the following priorities:

(1) To the extent possible, to achieve geographic balance throughout Indiana and to include urban, suburban, and rural school corporations.

(2) To address a documented need for new or expanded programs, including consideration of the percentage of students within the school corporation who are designated as at risk students.

(3) To lower:

(A) student/school counselor ratios;

(B) student/social worker ratios; and

(C) student/school psychologist ratios;

where the ratios are excessively high.

Sec. 7. The department shall determine the amount of each grant that is awarded under this chapter.

Sec. 8. A grant received by a school corporation may be expended by the school corporation for a twenty-four (24) month period.

Sec. 9. The department shall develop guidelines necessary to implement this chapter.

Chapter 19. School Social Workers

Sec. 1. (a) An individual who obtains a position as a school social worker for a school corporation must:

(1) hold a master's degree in social work; or

(2) agree as a condition of employment to obtain a master's degree in social work not more than five (5) years after the individual begins employment as a school social worker.

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(b) Subsection (a) does not apply to an individual who obtained a position as a school social worker for a school corporation before July 1, 2001.

Chapter 20. Secondary Level Vocational Education

Sec. 1. As used in this chapter, "commission" refers to the Indiana commission on vocational and technical education of the department of workforce development established by IC 22-4.1-13-6.

Sec. 2. As used in this chapter, "vocational education" means any secondary level vocational, agricultural, occupational, manpower, or technical training or retraining that:

(1) enhances an individual's career potential and further education; and

(2) is accessible to individuals who desire to explore and learn for economic and personal growth leading to employment opportunities.

Sec. 3. (a) The state board shall do the following:

(1) Establish and monitor the operation of secondary level vocational education in Indiana in accordance with the comprehensive long range state plan developed by the commission under IC 22-4.1-13-9.

(2) Establish a list of approved secondary level vocational education courses in accordance with the workforce partnership plans under IC 22-4.1-14.

(b) The state board may authorize the department, whenever practical or necessary, to assist in carrying out the duties prescribed by this chapter.

(c) The state board shall do the following:

(1) Implement, to the best of its ability, its vocational education plan prepared under section 4 of this chapter.

(2) Investigate the funding of vocational education on a cost basis.

(3) Cooperate with the commission in implementing the long range plan prepared by the commission under IC 22-4.1-13-9.

Sec. 4. The state board shall biennially prepare a plan for implementing vocational education and shall submit the plan to the commission for its review and recommendations.

Sec. 5. The state board shall make recommendations to the commission on all secondary level vocational education.

Sec. 6. Upon request of the budget director, the department shall prepare a legislative budget request for state and federal funds for vocational education. The budget director shall

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determine the period to be covered by the budget request. This budget request shall be made available to the commission under IC 22-4.1-13-15 before review by the budget committee.

Sec. 7. The department shall distribute state funds made available for vocational education that have been appropriated by the general assembly in accordance with the general assembly appropriation and the plan prepared by the state board under section 4 of this chapter.

Sec. 8. The state board shall develop a definition for and report biennially to the:

(1) general assembly;

(2) governor; and

(3) commission;

on attrition and persistence rates by students enrolled in secondary vocational education. A biennial report under this section to the general assembly must be in an electronic format under IC 5-14-6.

Sec. 9. The state board shall adopt rules under IC 4-22-2 and shall contract for services whenever necessary to perform the duties imposed by this chapter in accordance with the plan developed under section 4 of this chapter and approved by the commission.

Chapter 21. Advisory Adult Literacy Coalition

Sec. 1. As used in this chapter, "coalition" refers to the advisory adult literacy coalition established by section 2 of this chapter.

Sec. 2. The governor shall establish an advisory adult literacy coalition to do the following:

(1) Promote lifelong learning for Indiana residents so the residents may participate fully in family, community, civic, employment, and educational opportunities.

(2) Encourage the coordination of state agency activity related to adult literacy.

Sec. 3. As part of the program, the coalition shall encourage the following:

(1) Communication among all the programs serving adults who need development in basic reading, writing, and math skills.

(2) Publicity about adult literacy programs throughout Indiana.

(3) The development and maintenance of local literacy coalitions to coordinate, expand, and improve local literacy services.

(4) Promotion of learner involvement in literacy programs

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and organizations.

(5) Contributions of time, space, funds, and other support by business and industry to:

(A) assist employees lacking the necessary reading, writing, and math skills; and

(B) encourage employees to become volunteers in literacy programs.

(6) Identification of gaps in services and literacy trends to assist state policymakers.

Sec. 4. (a) The coalition must have:

(1) at least thirty (30); and

(2) not more than thirty-five (35);

members. The governor shall appoint the members on the recommendation of the state superintendent.

(b) A member serves a two (2) year term.

Sec. 5. (a) Before September 30 of each year, the state superintendent shall recommend to the governor individuals for appointment to the coalition.

(b) The governor shall:

(1) appoint the members of the coalition; and

(2) designate the date the terms of the members of the coalition begin so that terms are staggered.

(c) The membership of the coalition must include representatives from the following:

(1) The general assembly.

(2) Adult basic education programs.

(3) Local libraries.

(4) Community based organizations.

(5) Local literacy coalitions.

(6) Business and industry.

(7) Labor.

(8) Associations involved with promoting adult literacy in Indiana.

(9) The Indiana Literacy Foundation.

(10) Higher education.

(11) Persons who have benefited from adult literacy programs.

Sec. 6. The department shall provide logistical support to the coalition.

Sec. 7. The director of each of the following state agencies shall appoint an ex officio member to serve on the coalition and provide appropriate support to the coalition:

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(1) The Indiana library and historical department.
(2) The department of workforce development.
(3) The department of correction.
(4) The office of the secretary of family and social services.
(5) The Indiana economic development corporation.
(6) The department.

Sec. 8. This chapter expires January 1, 2007.

Chapter 22. Teacher Quality and Professional Improvement Program

Sec. 1. As used in this chapter, "program" refers to the teacher quality and professional improvement program established by section 2 of this chapter.

Sec. 2. (a) The teacher quality and professional improvement program is established to:
(1) review the salary and reward structure for teachers; and
(2) identify and develop methods to confer honor upon:
(A) the teaching profession; and
(B) individual teachers;
in Indiana.

(b) The state board shall administer the program.

Sec. 3. The state board shall work with school corporations to do the following:
(1) Examine and develop a plan for the implementation of a comprehensive career ladder system, which includes assisting at least three (3) school corporations to serve as model field studies for the feasibility of a career ladder reward program.
(2) Examine the implications of the career ladder system on the collective bargaining process under IC 20-29-6 and determine the effect of the collective bargaining process on the implementation of a career ladder system.
(3) Develop and implement recommendations for basic pay increases for teachers to be phased in with a career ladder system of rewards for teachers.
(4) Create programs that provide additional professional development opportunities for individual teachers, including the following programs:
(A) Continuing education scholarships for teachers.
(B) Professional development training for teachers.
(C) Paid sabbatical leave for teachers.
(D) Teacher fellowships.
(E) Grants to schools for extended teacher contracts.
(F) Grants for inschool projects for upgrading curriculum

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or improving instruction.

(5) Develop visible and meaningful ways to foster greater respect for the teaching profession and confer honor upon individual teachers in Indiana.

(6) Examine ways to implement a system of rewarding school corporations that improve the work environment by fostering collaborative working arrangements among teachers.

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

Chapter 23. Projects for Innovative Education

Sec. 1. As used in this chapter, "project" means an innovative education project as described in this chapter.

Sec. 2. (a) The innovative education projects fund is established for funding special experimental demonstration projects that involve the innovative use of teachers, methods, systems, materials, or programs for preschool, elementary school, or secondary school students that may have a special value in promoting effective educational programs in Indiana. The state board shall administer the fund.

(b) The fund may be used only for projects created under this chapter.

(c) The expenses of administering the fund shall be paid from money in the fund.

(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the fund.

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

Sec. 3. (a) The state board shall adopt rules under IC 4-22-2 to:

(1) establish project guidelines and criteria in addition to those specified in this chapter;

(2) establish application deadlines;

(3) evaluate projects;

(4) provide for the dissemination of project plans to all interested school corporations in the state; and

(5) otherwise carry out the purposes of this chapter.

(b) The state board may select and distribute money to school corporations submitting project proposals that best carry out the purposes of this chapter.

Sec. 4. For a project to receive funding under this chapter it must do the following:

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(1) Provide for curricular and instructional strategy and use of materials responsive to individual educational needs and learning styles.

(2) Provide for the development of basic and applied learning skills; multicultural education; physical, emotional, and mental health education; consumer economics; career education; or skills in the arts, humanities, and physical, natural, and social sciences.

(3) Use community resources or communications media.

(4) Provide staff development.

(5) Provide for ongoing and annual evaluation of goals and objectives.

(6) Provide for parental involvement.

Sec. 5. Projects under this chapter may include provisions for the following:

(1) A principal-teacher or career teacher component as described in section 7 of this chapter.

(2) A counselor-teacher component as described in section 8 of this chapter.

(3) Cooperative efforts with community agencies.

(4) Advanced or accelerated programs for students with special abilities.

(5) Use of volunteers.

(6) Flexible student attendance schedules.

(7) Early childhood and family education.

(8) Application of research findings.

(9) Use of paraprofessionals.

(10) Alternative criteria for high school graduation.

(11) Variable age and class size groupings.

Sec. 6. Consent from a student's parent must be obtained before the student's involvement in a project.

Sec. 7. (a) A project may include a principal-teacher or career teacher component. The principal-teacher or career teacher may not be the exclusive teacher for students assigned to the principal-teacher or career teacher but shall serve the function of developing and implementing a student's overall learning program. The principal-teacher or career teacher may be responsible for regular classroom assignments as well as learning programs for other students assigned to the principal-teacher or career teacher.

(b) A principal-teacher must be a principal and a career teacher must be a teacher licensed under IC 20-28-5.

(c) The governing body of the school corporation shall establish

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procedures for hiring individuals for the positions of principal-teacher and career teacher. The governing body has sole authority to hire these individuals. An individual is not entitled to employment in the position based on seniority or order of employment in the school corporation. The principal-teacher and career teacher shall be employed on a twelve (12) month basis with vacation time negotiated individually with the governing body.

(d) The principal-teacher or career teacher is responsible for the following:

(1) The overall education and learning plan of students assigned to the principal-teacher or career teacher. The principal-teacher or career teacher shall design a plan with the student, parents, and other faculty to maximize the learning potential and maturation level of each student.

(2) Measuring the proficiency of the students assigned to the principal-teacher or career teacher and assisting other staff in identifying student needs and making appropriate educational and subject groupings.

(3) If part of the project's plan, taking responsibility for the parent and early childhood education of students assigned to the principal-teacher or career teacher.

(4) Designing and being responsible for program components that meet special learning needs of high potential and talented students.

(5) Coordinating the ongoing, year-to-year learning program for students assigned to the principal-teacher or career teacher.

Sec. 8. (a) A project may include a counselor-teacher component. The counselor-teacher may not be the exclusive teacher of the students assigned to the counselor-teacher.

(b) A counselor-teacher must be a licensed counselor under IC 20-28-5.

(c) The governing body of the school corporation shall establish procedures for hiring counselors for the position of counselor-teacher. The governing body has sole authority to hire the counselors. An individual is not entitled to employment in the position based on seniority or order of employment in the school corporation.

(d) The counselor-teacher shall provide guidance and counseling services to students assigned to the counselor-teacher. This includes working with individual students, groups of students, and families.

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Chapter 24. Arts Education Program

Sec. 1. The purpose of this chapter is to:

(1) encourage local schools to develop comprehensive plans to improve arts in education;

(2) coordinate available resources in support of arts programs in order to provide arts experiences for all students;

(3) provide assistance to local agencies in the development and implementation of comprehensive programs to improve instruction in the elementary and secondary schools;

(4) develop a means by which schools and communities can collaborate in order to strengthen programs;

(5) provide leadership training in the planning, execution, and evaluation of arts education programs;

(6) assist local schools in the development of educational arts education programs; and

(7) assist local schools in the training of educational staff, including specialists in all of the arts and general classroom teachers.

Sec. 2. As used in this chapter, "arts" includes the following:

(1) Music.

(2) Dance.

(3) Drama.

(4) Visual arts.

(5) Creative writing.

(6) Film making.

(7) Arts related to the presentation, performance, execution, and exhibition of arts listed in subdivisions (1) through (6).

(8) The study and application of arts listed in subdivisions (1) through (7) to the human environment.

Sec. 3. The department may award grants to school corporations under this chapter.

Sec. 4. A school corporation may apply for a grant under this chapter by submitting to the department a plan that includes the following:

(1) Identification of the instructional needs of students and teachers in the arts.

(2) A program through which funds received under this chapter as well as under local, state, or federal programs will serve the purposes of this chapter.

(3) A program for coordinating the efforts of local agencies, organizations, and institutions in order to make their efforts more effective.

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(4) Identification of the area in which the funds received will be used, including one (1) of the following:

(A) Comprehensive arts education programs.

(B) Technical assistance leadership training.

(C) Interagency and organizational programs.

(D) Allotment programs for elementary arts specialists.

Sec. 5. The department may consult with the Indiana arts commission and private arts organizations regarding expenditure of funds received under this chapter.

Sec. 6. The state board shall adopt rules under IC 4-22-2 stating the criteria upon which grants may be made under this chapter. The department may make grants to school corporations from funds made available for purposes of this chapter.

Chapter 25. Committee on Educational Attitudes, Motivation, and Parental Involvement

Sec. 1. As used in this chapter, "committee" refers to the committee on educational attitudes, motivation, and parental involvement established by section 2 of this chapter.

Sec. 2. The committee on educational attitudes, motivation, and parental involvement is established to do the following:

(1) Study the attitudes of students toward the educational process in public schools.

(2) Develop methods to motivate students to learn.

(3) Develop methods to create and maintain a positive public perception within each community and within Indiana toward the public schools.

(4) Develop methods to encourage increased parental and community involvement with the public schools.

(5) Develop guidelines for the award of grants under section 6 of this chapter.

Sec. 3. (a) The committee consists of fifteen (15) members.

(b) The governor shall:

(1) appoint the members upon the recommendation of the state superintendent; and

(2) designate a member to serve as chair.

(c) The chair shall call the meetings of the committee. The members serve two (2) year terms.

Sec. 4. (a) The membership of the committee must include representatives from the following:

(1) The general assembly.

(2) The department.

(3) Business.

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(4) Labor.

(5) Agriculture.

(6) Parents of children who attend public schools.

(7) Public school or school corporation administrators.

(8) Certificated employees (as defined in IC 20-29-2-4) who are teachers.

(b) Each member of the committee who is not a state employee is not entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). Such a member is, however, entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

(c) Each member of the committee who is a state employee but who is not a member of the general assembly is entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

(d) Each member of the committee who is a member of the general assembly is entitled to receive the same per diem, mileage, and travel allowances paid to members of the general assembly serving on interim study committees established by the legislative council.

Sec. 5. The state superintendent and the governor shall each designate a staff member to coordinate the planning of the committee.

Sec. 6. (a) A school corporation may apply to the department for a grant to expand or implement programs to do the following:

(1) Improve student attitudes toward education.

(2) Increase student motivation to pursue higher educational goals.

(3) Increase community and parental involvement with the local schools.

(b) The committee shall make recommendations to the department concerning the award of grants under subsection (a).

Chapter 26. Readiness Testing

Sec. 1. The board shall authorize a series of studies to be conducted by the department to determine a plan for reimbursing school corporations for the costs of administering academic readiness tests to selected students in kindergarten, grade 1, and grade 2.

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Sec. 2. The department shall develop a plan, based upon the results of the studies, to offer readiness tests to school corporations.

Sec. 3. Readiness testing under this chapter is in addition to ISTEP program testing under IC 20-32-5.

Chapter 27. Student Services Programs

Sec. 1. (a) The department shall establish a student services summer institute designed to coordinate the student services personnel from each school corporation with youth serving organizations in developing a cohesive plan to serve the needs of students.

(b) The student services summer institute shall focus on developing a coordinated effort among the participants in the summer institute to do the following:

(1) Increase and enhance preventive and effective student services programs.

(2) Study methods of providing information and resources to assist parents in counseling students.

(3) Reduce and eliminate clerical duties regularly assigned to student guidance personnel.

(4) Coordinate the expertise and training of the student guidance personnel.

(5) Prepare a program to implement the coordinated plan.

Sec. 2. The student services summer institute shall identify the following:

(1) Effective models for the coordination of student services in Indiana and nationwide.

(2) Any rule, regulation, or funding requirement that creates barriers to or facilitates the coordination of student services.

(3) Specific local conditions or circumstances that promote or inhibit the coordination of student services.

(4) Specific needs or problems concerning the coordination of student services.

Sec. 3. The department shall authorize a student services team pilot program to be conducted under the research and development program under IC 20-20-11 designed to assist participating student guidance personnel with services provided by other local youth serving organizations.

Sec. 4. If a pilot program provides for direct services to students (other than services approved by the state board and governing bodies), parents of students must be notified that additional services are available.

Chapter 28. Early Childhood Programs

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Sec. 1. As used in this chapter, "early childhood program" refers to a voluntary parental education program for parents of children from birth to less than three (3) years of age that provides these parents with information and activities to help the parents better prepare children for school.

Sec. 2. As used in this chapter, "latch key program" means a voluntary school age child care program for children who attend kindergarten through grade 6 and that at a minimum, operates after the school day and may include periods before school is in session or during periods when school is not in session.

Sec. 3. As used in this chapter, "preschool program" refers to a voluntary school readiness program for children who are at least three (3) years of age and not enrolled in at least kindergarten.

Sec. 4. (a) The department shall establish pilot programs targeting at risk students in the following areas:

(1) Early childhood parental information programs.

(2) Latch key programs.

(3) Preschool programs.

(b) In establishing the pilot programs under this chapter, the department shall focus on implementing programs that enable the local school corporation and appropriate community agencies to cooperate with each other.

(c) The department shall address the following in establishing the programs:

(1) Screening for physical health problems that can inhibit school success.

(2) Screening for learning disabilities.

(3) Parental orientation and participation.

(d) In addition, the department shall employ an early childhood specialist and support staff personnel to identify and determine ways to coordinate the educational programs offered by local youth serving organizations.

Sec. 5. (a) The department:

(1) shall select certain school corporations to participate in the respective pilot programs listed in section 4 of this chapter; and

(2) may select school corporations that have a pilot program as described in section 4 of this chapter in existence on June 30, 1990.

(b) A school corporation may enter into an agreement with a nonprofit corporation to provide early childhood education, preschool education, or latch key programs. However, if a school

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corporation enters into a contract for preschool education, the nonprofit corporation:

(1) must operate a federally approved preschool education program; and

(2) may not be religiously affiliated.

Sec. 6. The department shall develop guidelines necessary to implement this chapter.

Sec. 7. Each school corporation that participates in a pilot program under this chapter shall prepare a written report detailing all of the pertinent information concerning the implementation of the pilot program, including any recommendations made and conclusions drawn from the pilot program. The school corporation shall submit the report to the department.

Chapter 29. Twenty-First Century Schools Pilot Program

Sec. 1. The department shall establish a twenty-first century schools pilot program to do the following:

(1) Increase the involvement of parents, teachers, administrators, and local civic leaders in the operation of the local school.

(2) Provide more responsibility and flexibility in the governance of schools at the local level.

(3) Encourage innovative and responsive management practices in light of the social and economic problems in the community.

(4) Provide grants to schools selected by the department to implement twenty-first century schools pilot programs.

Sec. 2. (a) The department shall administer the twenty-first century schools pilot program.

(b) Unexpended money appropriated to the department for the department's use in implementing the pilot program under this chapter at the end of a state fiscal year does not revert to the state general fund but remains available to the department for the department's continued use under this chapter.

Sec. 3. To be eligible for selection as a twenty-first century schools pilot program grant recipient, a school must do the following:

(1) Apply to the department for a grant, on forms provided by the department, and include a detailed description of the school pilot program.

(2) Demonstrate a significant commitment by teachers, parents, and school administrators toward achieving positive

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outcomes in school activities.

(3) Establish a school/community improvement council consisting of parents of students, school personnel, and representatives of the community.

(4) Comply with all other requirements set forth by the department.

Sec. 4. A pilot program eligible to be funded under this chapter must include all of the following:

(1) School based management models.

(2) Parental involvement strategies.

(3) Innovative integration of curricula, individualized education programs, nonstandard courses, or textbook adoption in the school improvement plan described under IC 20-31-4-6(6).

(4) Training for participants to become effective members on school/community improvement councils.

Sec. 5. To encourage participation in the pilot program by local schools, a school corporation that is selected to participate in the pilot program is not required to comply with certain state imposed standards as determined by the department with the consent of the state board.

Sec. 6. Upon review of the applications submitted by schools under section 3 of this chapter, the department shall select the schools to participate in the twenty-first century schools pilot program.

Sec. 7. Each participating school shall prepare a written report to be submitted to the department that includes the findings, conclusions, and recommendations of the school concerning the twenty-first century schools pilot program.

Sec. 8. The department shall develop guidelines necessary to implement this chapter.

Sec. 9. The department may employ personnel necessary to implement this chapter.

Chapter 30. Anti-Gang Counseling Pilot Program and Fund

Sec. 1. As used in this chapter, "anti-gang counseling" refers to efforts described under section 8 of this chapter that are designed to discourage students from the following:

(1) Becoming members of criminal gangs.

(2) Engaging in criminal gang activity.

Sec. 2. As used in this chapter, "criminal gang" has the meaning as set forth in IC 35-45-9-1.

Sec. 3. As used in this chapter, "fund" refers to the anti-gang

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counseling pilot program fund established by section 9 of this chapter.

Sec. 4. As used in this chapter, "participating school corporation" refers to a school corporation or more than one (1) school corporation under a joint agreement selected by the department to participate in the pilot program.

Sec. 5. As used in this chapter, "pilot program" refers to the anti-gang counseling pilot program established by section 8 of this chapter.

Sec. 6. As used in this chapter, "pilot project" refers to an anti-gang counseling pilot project authorized under section 8 of this chapter.

Sec. 7. As used in this chapter, "student" refers to a public school student who is in an appropriate grade level as determined by the participating school corporation.

Sec. 8. The department shall establish the anti-gang counseling pilot program to provide financial assistance to participating school corporations to establish pilot projects designed to do the following:

(1) Educate students and parents:

(A) of the extent to which criminal gang activity exists in the school corporation's community;

(B) on the negative societal impact that criminal gangs have on the community; and

(C) on methods to discourage participation in criminal gangs.

(2) Encourage the use of community resources not directly affiliated with the school corporation, including law enforcement officials, to participate in the particular pilot project.

(3) Enable the participating school corporations on a case by case basis and with the prior written approval of the student's parent to contract with community mental health centers to provide appropriate anti-gang counseling to a student identified by the student's school guidance counselor as being at risk of becoming a member of a criminal gang or at risk of engaging in criminal gang activity.

Sec. 9. (a) The anti-gang counseling pilot program fund is established to provide grants to participating school corporations to establish and operate the school corporation's pilot project.

(b) The department shall administer the fund.

(c) The expenses of administering the fund shall be paid from

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money in the fund.

(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

Sec. 10. (a) To be eligible for a grant under this chapter, a school corporation or more than one (1) school corporation under a joint agreement must timely apply for the grant to the department on forms provided by the department.

(b) The applying school corporation must include at least the following information in the school corporation's application:

(1) The number of students likely to benefit from the pilot project.

(2) A detailed description of the proposed pilot project format.

(3) The extent to which the applying school corporation intends to include appropriate community resources not directly affiliated with the applying school corporation in the pilot project.

(4) A statement of and any supporting information concerning the need to establish the pilot project as perceived by the applying school corporation.

(5) The estimated cost of implementing the pilot project.

(6) Any other pertinent information required by the department.

Sec. 11. (a) The department may approve not more than three (3) pilot projects from each congressional district.

(b) The department shall approve the pilot projects based on at least the following criteria:

(1) The relative need for the establishment of a pilot project of this nature as outlined by the applying school corporation, including the number of students who would likely benefit from the pilot project and the prevalence of criminal gang activity within the boundaries of the applying school corporation.

(2) The overall quality of the applying school corporation's pilot project proposal, including the extent to which the applying school corporation demonstrates a willingness to include as a part of the pilot project appropriate community resources not directly affiliated with the applying school corporation.

(3) The availability of money in the fund.

Sec. 12. (a) By June 1 of each school year, each participating

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school corporation shall submit to the department a written report, on forms developed by the department, outlining the activities undertaken as part of the school corporation's pilot project.

(b) By November 1 of each year, the department shall submit a comprehensive report to the governor and the general assembly on the pilot program, including the department's conclusions and recommendations with regard to the impact that the pilot program has made on decreasing criminal gang activity in Indiana. A report submitted under this subsection to the general assembly must be in an electronic format under IC 5-14-6.

Chapter 31. Professional Development Program

Sec. 1. As used in this chapter, "plan" refers to an Indiana school academic plan established under IC 20-19-2-11.

Sec. 2. As used in this chapter, "program" refers to a professional development program.

Sec. 3. As used in this chapter, "school" includes the following:

(1) A public school.

(2) A nonpublic school that has voluntarily become accredited under IC 20-19-2-8.

Sec. 4. A school shall develop a program as a component of a plan established by the school.

Sec. 5. The following apply to a program developed under this chapter:

(1) The program must emphasize improvement of student learning and performance.

(2) The program must be developed by the committee that develops the school's strategic and continuous improvement and achievement plan under IC 20-31-5-1.

(3) The program must be integrated with the school's strategic and continuous improvement and achievement plan developed under IC 20-31-5.

Sec. 6. A school committee shall submit the school's program to the state superintendent for the superintendent's review. The state superintendent:

(1) shall review the plan to ensure that the program aligns with the school corporation's objectives, goals, and expectations;

(2) may make written recommendations of modifications to the program to ensure alignment; and

(3) shall return the program and any recommendations to the school committee.

Sec. 7. A school committee may modify the program to comply

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with recommendations made by the state superintendent under section 6 of this chapter.

Sec. 8. A school committee shall submit the program as part of its plan to the governing body. The governing body shall:

(1) approve or reject the program as part of the plan; and

(2) submit the program to the state board as part of the plan for the school.

Sec. 9. The state board may approve a school's program only if the program meets the board's core principles for professional development and the following additional criteria:

(1) To ensure high quality professional development, the program:

(A) is school based and collaboratively designed, and encourages participants to work collaboratively;

(B) has a primary focus on state and local academic standards, including a focus on Core 40 subject areas;

(C) enables teachers to improve expertise in subject knowledge and teaching strategies, uses of technologies, and other essential elements in teaching to high standards;

(D) furthers the alignment of standards, curriculum, and assessments; and

(E) includes measurement activities to ensure the transfer of new knowledge and skills to classroom instruction.

(2) A variety of resources, including needs assessments, an analysis of data regarding student learning needs, professional literature, research, and school improvement programs, are used in developing the program.

(3) The program supports professional development for all stakeholders.

(4) The program includes ongoing professional growth experiences that provide adequate time and job embedded opportunities to support school improvement and student learning, including flexible time for professional development that provides professional development opportunities before, during, and after the regular school day and school year.

(5) Under the program, teacher time for professional development sustains instructional coherence, participant involvement, and continuity for students.

(6) The program includes effective, research based strategies to support ongoing developmental activities.

(7) The program supports experiences to increase the effective use of technology to improve teaching and learning.

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(8) The program encourages diverse techniques, including inquiry, reflection, action research, networking, study groups, coaching, and evaluation.

(9) The program includes a means for evaluating the effectiveness of the program and activities under the program.

Sec. 10. The state board shall approve an evaluation system for professional development based on recommendations from the department and the professional standards board established by IC 20-28-2-1. The department shall develop a means for measuring successful programs and activities in which schools participate. The measurements must include the following:

(1) A mechanism to identify and develop strategies to collect multiple forms of data that reflect the achievement of expectations for all students. The data may include the results of ISTEP program tests under IC 20-31-3, IC 20-32-4, IC 20-32-5, and IC 20-32-6, local tests, classroom work, and teacher and administrator observations.

(2) A procedure for using collected data to make decisions.

(3) A method of evaluation in terms of educator's practice and student learning, including standards for effective teaching and effective professional development.

Sec. 11. A school qualifies for a grant from the department when the school's program, developed and submitted under this chapter, is approved by the state board upon recommendation of the department. For purposes of determining whether a school qualifies for a grant under this chapter, the department shall:

(1) review;

(2) suggest changes to; and

(3) recommend approval or rejection of;

a school's program.

Sec. 12. A school must use a grant received under this chapter to implement all or part of the school's program by funding activities that may include the following:

(1) Partnership programs with other entities, including professional development schools.

(2) Teacher leadership academies, research teams, and study groups.

(3) Workshops, seminars, and site visits.

(4) Cooperative programs with other school corporations.

(5) National board certification for teachers.

Sec. 13. A school may contract with private or public sector

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providers to provide professional development activities under this chapter.

Sec. 14. A grant received under this chapter:

(1) may be expended only for the conduct of activities specified in the program; and

(2) must be coordinated with other professional development programs and expenditures of the school and school corporation.

Sec. 15. A school shall report to the department concerning the use of grants received under this chapter. A school that fails to make a report under this chapter is not eligible for a subsequent grant.

Chapter 32. Technology Apprenticeship Grants Program

Sec. 1. As used in this chapter, "program" refers to the technology apprenticeship grant program established by section 2 of this chapter.

Sec. 2. The technology apprenticeship grant program is established. The department, with the advice of the department of labor established by IC 22-1-1-1, shall administer the program.

Sec. 3. The department, working with the department of labor, shall develop a grant program to provide grants from the state technology advancement and retention account established by IC 4-12-12-1 for apprenticeships that are designed to develop the skills of apprentices in the area of technology.

Sec. 4. The department, with the department of labor, shall develop standards for the issuance of grants to businesses and unions that are working to enhance the technology skills of apprentices.

Sec. 5. Grants issued under this chapter are subject to approval by the budget agency.

SECTION 5. IC 20-21 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

ARTICLE 21. INDIANA SCHOOL FOR THE BLIND

Chapter 1. Definitions

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

Sec. 2. "Board" refers to the Indiana School for the Blind board established by IC 20-21-3-1.

Sec. 3. "Case conference" refers to the activities of a case conference committee as described in IC 20-35-7-2.

Sec. 4. "Employee" refers to an employee of the school.

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Sec. 5. "School" refers to the Indiana School for the Blind established by IC 20-21-2-1.

Sec. 6. "School age individual" refers to an individual who is less than twenty-two (22) years of age.

Sec. 7. "Superintendent" refers to the superintendent of the school appointed under IC 20-21-2-4.

Chapter 2. Indiana School for the Blind

Sec. 1. The Indiana School for the Blind is established as a state educational resource center that includes the following:

(1) A residential and day school.

(2) Outreach services.

(3) Consultative services to local educational agencies to assist the agencies in meeting the needs of locally enrolled students with visual disabilities.

Sec. 2. The school shall provide for the instruction, education, and care of children who are determined to have a serious visual disability by case conference in accordance with Indiana law and federal law.

Sec. 3. The school shall provide the following:

(1) Educational facilities that meet standards established by the state board for regular public schools.

(2) Educational facilities for school age individuals.

(3) Educational programs and services to meet those special needs imposed by visual impairment so that a visually disabled student (including a student with multiple disabilities with visual impairment) may achieve the student's maximum ability for independence in academic pursuits, career opportunities, travel, personal care, and home management.

(4) Training to permit a visually disabled student (including a student with multiple disabilities with visual impairment) to achieve the student's maximum development toward self-support and independence by the provision of services in counseling, orientation and mobility, and other related services.

Sec. 4. (a) The board shall appoint the superintendent, subject to the approval of the governor. The superintendent serves at the pleasure of the board and may be removed for cause.

(b) The superintendent appointee must have the following qualifications:

(1) Be an educator with knowledge, skill, and ability in the appointee's profession.

(2) Have at least five (5) years experience in instruction of

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visually disabled students.

(3) Have a master's degree or a higher degree.

(4) Meet the qualifications for an Indiana teacher's certificate in the area of visual disabilities.

(5) Have a superintendent's license or obtain a superintendent's license not more than two (2) years after appointment by the board.

Sec. 5. (a) The superintendent, subject to the approval of the board and IC 20-21-4, has complete responsibility for management of the school.

(b) The superintendent has responsibility for the following:

(1) Direction of the education, care, safety, and well-being of all students in attendance.

(2) Evaluation and improvement of the school staff, educational programs, and support services.

(3) Implementation and administration of the policies, mission, and goals of the school as established by the board.

(4) Serving as the purchasing agent for the school under IC 5-22-4-8.

(5) Implementation of budgetary matters as recommended by the board and the department of education under IC 20-21-3-10(b).

(6) Management of the school's outreach program with local public schools.

(7) Advocating on behalf of the school under guidelines established by the board.

(8) Executing contracts on behalf of the school.

(c) The superintendent is the appointing authority for all employees necessary to properly conduct and operate the school.

Sec. 6. Subject to:

(1) the determination by case conference committees based on individualized education programs; and

(2) the school's admissions criteria adopted by the board under IC 20-21-3-10(a)(4);

the superintendent shall receive as students in the school Indiana residents who are visually disabled school age individuals.

Sec. 7. (a) A placement review committee for the school is established. The placement review committee consists of one (1) representative of each of the following:

(1) The board.

(2) The office of the secretary of family and social services.

(3) The state superintendent.

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(b) The placement review committee shall meet upon petition of an interested party to review the following:

(1) Applications to the school denied through the process described in section 6 of this chapter.

(2) All instances of dismissal from the school for reasons other than graduation, voluntary transition to another educational facility, or voluntary departure from the school.

(c) The superintendent shall serve as an adviser to the placement review committee. The superintendent shall provide the placement review committee with information and justification for all application denials and dismissals under review.

(d) The placement review committee may recommend that application denials or dismissals be reconsidered.

Sec. 8. Upon the presentation of satisfactory evidence showing that:

(1) there is a school age individual with a visual disability residing in a county;

(2) the individual is entitled to the facilities of the school;

(3) the individual's parent wishes the individual to participate in the school's educational program but is unable to pay the expenses of maintaining the individual at the school; and

(4) the individual is entitled to placement in the school under section 6 of this chapter;

a court with jurisdiction shall, upon application by the county office of family and children, order the individual to be sent to the school at the expense of the county. The expenses include the expenses described in section 10 of this chapter and shall be paid from the county general fund.

Sec. 9. The compulsory school attendance laws of Indiana apply to all children with visual disabilities. The case conference committee may place a child with a visual disability at the school. The child shall attend the school during the full scholastic term of the school unless the case conference committee changes the placement.

Sec. 10. (a) The school shall provide board, room, laundry, and ordinary medical attention, including emergency medical attention.

(b) While a student is enrolled at the school, the student's parent, guardian, or responsible relative or another person shall provide medical, optical, and dental care involving special medication or prostheses.

(c) While a student is enrolled at the school, the student's parent, guardian, or another responsible relative or person shall

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suitably provide the student with clothing and other essentials not otherwise provided under this article.

(d) The school corporation in which the student has legal settlement shall pay the cost of transportation required by the student's individualized education program under IC 20-35-8-2. However, the student's parent, guardian, or another responsible relative or person shall pay the cost of transportation not required by the student's individualized education program.

(e) The student's parent, guardian, or another responsible relative or person shall provide the incidental expense money needed by the student.

Sec. 11. (a) The school may establish an adult education program.

(b) The school may establish an appropriate fee for services for an adult education program. Federal grants or matching funds may also be used, subject to approval of the budget agency.

Sec. 12. The school may establish a vocational work-study program.

Sec. 13. The superintendent may, subject to the approval of the governor and the policies of the board, receive, for the use of the school, gifts, legacies, devises, and conveyances of real or personal property that are made, given, or granted to or for the school.

Chapter 3. Indiana School for the Blind Board

Sec. 1. The Indiana School for the Blind board is established.

Sec. 2. (a) The board consists of the following members:

(1) Seven (7) individuals appointed by the governor. The individuals appointed under this subdivision are voting members of the board.

(2) The director of the division of special education of the department. The individual serving under this subdivision serves in a nonvoting, advisory capacity.

(3) One (1) individual designated by the governor as the governor's representative on the board. The member appointed under this subdivision serves on the board in a nonvoting, advisory capacity.

(4) One (1) member of the general assembly appointed by the president pro tempore of the senate. The member appointed under this subdivision serves in a nonvoting, advisory capacity.

(b) When appointing a member to the board under subsection (a)(1), the governor must satisfy the following:

(1) One (1) voting member of the board must be a parent of at

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least one (1) student enrolled or formerly enrolled at the school.

(2) One (1) voting member of the board must have been a student at the school.

(3) One (1) voting member of the board must be a:

(A) representative of a local education agency; or

(B) special education director.

(c) Before assuming membership on the board, an individual appointed under subsection (a)(1) must do the following:

(1) Execute a bond:

(A) payable:

(i) to the state; and

(ii) in an amount and with sureties as approved by the governor; and

(B) that is conditioned on the faithful discharge of the member's duties.

(2) Take and subscribe an oath that must be endorsed upon the member's official bond.

The executed bond and oath shall be filed in the office of the secretary of state. The cost of the bond shall be paid from appropriations made to the school.

Sec. 3. (a) Each voting board member who is not an employee of the state or a political subdivision is entitled to the following:

(1) The minimum salary per diem provided by IC 4-10-11-2.1 for each board meeting attended by the member.

(2) Reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

Money for payments to board members under this subsection shall be paid from appropriations made to the school.

(b) The member of the board appointed under section 2(a)(4) of this chapter is entitled to receive the same per diem, mileage, and travel allowances paid to legislative members of interim study committees established by the legislative council. Per diem, mileage, and travel allowances paid under this subsection shall be paid from appropriations made to the legislative council or the legislative services agency.

Sec. 4. (a) This section applies only to a board member serving under section 2(a)(1) of this chapter.

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(b) The term of a board member is four (4) years.

(c) The term of a member begins upon appointment by the governor.

(d) A member may serve after the member's term expires until the term of the member's successor begins.

(e) The governor may reappoint a member to serve a new term.

Sec. 5. Whenever there is a vacancy on the board, the governor shall fill the vacancy for the remainder of the unexpired term.

Sec. 6. (a) At the board's last meeting before July 1 of each year, the board shall elect one (1) member to be chair of the board.

(b) The member elected chair of the board serves as chair beginning July 1 after elected by the board.

(c) The board may reelect a member as chair of the board.

(d) The board shall annually elect one (1) of its members to serve as the secretary for the board.

Sec. 7. Four (4) voting members of the board constitute a quorum. The affirmative vote of at least four (4) voting members of the board is necessary for the board to take official action other than to do the following:

(1) Adjourn.

(2) Meet to hear reports or testimony.

Sec. 8. The school shall provide staff and administrative support to the board.

Sec. 9. Subject to IC 20-35-2 and IC 20-21-4, the board has complete policy and administrative control and responsibility for the school.

Sec. 10. (a) The board shall do the following:

(1) Establish policies and accountability measures for the school.

(2) Implement this article.

(3) Perform the duties required by IC 5-22-4-8.

(4) Adopt rules under IC 4-22-2 to establish criteria for the admission of visually disabled children, including children with multiple disabilities, at the school.

(5) Hire the superintendent, who serves at the pleasure of the board.

(6) Determine the salary and benefits of the superintendent.

(7) Adopt rules under IC 4-22-2 required by this article.

(b) The board shall submit the school's biennial budget to the department, which shall review the proposed budget. As part of its review, the department may request and shall receive from the board, in a form as may reasonably be required by the department,

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all information used by the board to develop the proposed budget. If, upon review, the department determines that any part of the budget request is not supported by the information provided, the department shall meet with the board at the earliest date possible in order to reconcile the budget request. The department shall submit the reconciled budget to the budget agency and the budget committee.

Sec. 11. The board may do the following to implement this article:

(1) Adopt, amend, and repeal bylaws in compliance with this article to govern the business of the board.

(2) Appoint committees the board considers necessary to advise the board.

(3) Accept gifts, devises, bequests, grants, loans, and appropriations, and agree to and comply with conditions attached to a gift, devise, bequest, grant, loan, or appropriation.

(4) Do all acts and things necessary, proper, or convenient to carry out this article.

Chapter 4. Personnel System

Sec. 1. Except as provided in this chapter, IC 4-15-1.8 and IC 4-15-2 apply to the employees of the school.

Sec. 2. The superintendent shall hire directly for those positions as approved by the state personnel department and the board any candidate the superintendent considers qualified to fill a position at the school. The state personnel department, in collaboration with the board, shall annually develop a list of job classifications for positions at the school for which the superintendent may fill a vacancy by hiring a candidate for the position based on a search for qualified candidates outside the state personnel hiring list.

Sec. 3. (a) The board shall prescribe, subject to the approval of the state personnel department and the budget agency, a salary schedule for the school, using a daily rate of pay for each teacher that must be equal to that of the largest school corporation in the county in which the school is located.

(b) The board shall prescribe the terms of the annual contract awarded to licensed teachers qualifying for payment under the salary schedule as described in subsection (a).

(c) The hours of work for all teachers shall be set in accordance with IC 4-15-2.

SECTION 6. IC 20-22 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,

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ARTICLE 22. INDIANA SCHOOL FOR THE DEAF

Chapter 1. Definitions

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

Sec. 2. "Board" refers to the Indiana School for the Deaf board established by IC 20-22-3-1.

Sec. 3. "Case conference" refers to the activities of a case conference committee (as defined in IC 20-35-7-2).

Sec. 4. "Employee" refers to an employee of the school.

Sec. 5. "School" refers to the Indiana School for the Deaf established by IC 20-22-2-1.

Sec. 6. "School age individual" refers to an individual who is less than twenty-two (22) years of age.

Sec. 7. "Superintendent" refers to the superintendent of the school appointed under IC 20-22-2-4.

Chapter 2. Indiana School for the Deaf

Sec. 1. The Indiana School for the Deaf is established as a state educational resource center that includes the following:

(1) A residential and day school.

(2) Outreach services.

(3) Consultative services to local educational agencies to assist the agencies in meeting the needs of locally enrolled students with hearing disabilities.

Sec. 2. The school shall provide for the instruction, education, and care of children who are determined to have a hearing disability by case conference in accordance with Indiana law and federal law.

Sec. 3. The school shall provide the following:

(1) Educational facilities that meet standards established by the state board for regular public schools.

(2) Educational facilities for school age individuals.

(3) Educational programs and services to meet those special needs imposed by hearing impairment so that a hearing disabled student (including a student with multiple disabilities with hearing impairment) may achieve the student's maximum ability for independence in academic pursuits, career opportunities, travel, personal care, and home management.

(4) Training to permit a hearing disabled student (including a student with multiple disabilities with hearing impairment) to achieve the student's maximum development toward

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self-support and independence.

Sec. 4. (a) The board shall appoint the superintendent subject to the approval of the governor. The superintendent serves at the pleasure of the board and may be removed for cause.

(b) The superintendent appointee must have the following qualifications:

(1) Be an educator with knowledge, skill, and ability in the appointee's profession.

(2) Have at least five (5) years experience in instruction of hearing disabled students.

(3) Have a master's degree or a higher degree.

(4) Meet the qualifications for an Indiana teacher's certificate in the area of hearing disabilities.

(5) Have a superintendent's license or obtain a superintendent's license within two (2) years after appointment by the board.

Sec. 5. (a) The superintendent, subject to the approval of the board and IC 20-22-4, has complete responsibility for management of the school.

(b) The superintendent has responsibility for the following:

(1) Direction of the education, care, safety, and well-being of all students in attendance.

(2) Evaluation and improvement of the school staff, educational programs, and support services.

(3) Implementation and administration of the policies, mission, and goals of the school as established by the board.

(4) Serving as the purchasing agent for the school under IC 5-22-4-8.

(5) Implementation of budgetary matters as recommended by the board and the department under IC 20-22-3-10(b).

(6) Management of the school's outreach program with local public schools.

(7) Advocating on behalf of the school under guidelines established by the board.

(8) Executing contracts on behalf of the school.

(c) The superintendent is the appointing authority for all employees necessary to properly conduct and operate the school.

Sec. 6. Subject to:

(1) the determination by case conference committees based on individualized education programs; and

(2) the school's admission criteria adopted by the board under IC 20-22-3-10(a)(4);

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the superintendent shall receive as students in the school Indiana residents who are hearing disabled school age individuals.

Sec. 7. (a) A placement review committee for the school is established. The placement review committee consists of one (1) representative of each of the following:

(1) The board.

(2) The office of the secretary of family and social services.

(3) The state superintendent.

(b) The placement review committee shall meet upon petition of an interested party to review the following:

(1) Applications to the school denied through the process described in section 6 of this chapter.

(2) All instances of dismissal from the school for reasons other than graduation, voluntary transition to another educational facility, or voluntary departure from the school.

(c) The superintendent shall serve as an adviser to the placement review committee. The superintendent shall provide the placement review committee with information and justification for all application denials and dismissals under review.

(d) The placement review committee may recommend that application denials or dismissals be reconsidered.

Sec. 8. Upon the presentation of satisfactory evidence showing that:

(1) there is a school age individual with a hearing disability residing in a county;

(2) the individual is entitled to the facilities of the school;

(3) the individual's parent wishes the individual to participate in the school's educational program but is unable to pay the expenses of maintaining the individual at the school; and

(4) the individual is entitled to placement in the school under section 6 of this chapter;

a court with jurisdiction shall, upon application by the county office of family and children, order the individual to be sent to the school at the expense of the county. The expenses include the expenses described in section 10 of this chapter and shall be paid from the county general fund.

Sec. 9. The compulsory school attendance laws of Indiana apply to all children with hearing disabilities. The case conference committee may place a child with a hearing disability at the school. The child shall attend the school during the full scholastic term of the school unless the case conference committee changes the placement.

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Sec. 10. (a) The school shall provide board, room, laundry, and ordinary medical attention, including emergency medical attention.

(b) While a student is enrolled at the school, the student's parent, guardian, or another responsible relative or person shall provide medical, optical, and dental care involving special medication or prostheses.

(c) While a student is enrolled at the school, the student's parent, guardian, or another responsible relative or person shall suitably provide the student with clothing and other essentials not otherwise provided under this article.

(d) The school corporation in which the student has legal settlement shall pay the cost of transportation required by the student's individualized education program under IC 20-35-8-2. However, the student's parent, guardian, or another responsible relative or person shall pay the cost of transportation not required by the student's individualized education program.

(e) The student's parent, guardian, or another responsible relative or person shall provide the incidental expense money needed by the student.

Sec. 11. (a) The school may establish an adult education program.

(b) The school may establish an appropriate fee for services for an adult education program. Federal grants or matching funds may also be used, subject to the approval of the budget agency.

Sec. 12. The school may establish a vocational work-study program.

Sec. 13. The superintendent may, subject to the approval of the governor and the policies of the board, receive, for the use of the school, gifts, legacies, devises, and conveyances of real and personal property that are made, given, or granted to or for the school.

Chapter 3. Indiana School for the Deaf Board

Sec. 1. The Indiana School for the Deaf board is established.

Sec. 2. (a) The board consists of the following members:

(1) Seven (7) individuals appointed by the governor. The individuals appointed under this subdivision are voting members of the board.

(2) The director of the division of special education of the department. The individual serving under this subdivision serves in a nonvoting, advisory capacity.

(3) One (1) individual designated by the governor as the governor's representative on the board. The member appointed under this subdivision serves on the board in a

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nonvoting, advisory capacity.

(4) One (1) member of the general assembly appointed by the speaker of the house of representatives. The member appointed under this subdivision serves in a nonvoting, advisory capacity.

(b) When appointing a member to the board under subsection (a)(1), the governor must satisfy the following:

(1) One (1) voting member of the board must be a parent of at least one (1) student enrolled or formerly enrolled at the school.

(2) One (1) voting member of the board must have been a student at the school.

(3) One (1) voting member of the board must be a:

(A) representative of a local education agency; or

(B) special education director.

(c) Before assuming membership on the board, an individual appointed under subsection (a)(1) must do the following:

(1) Execute a bond:

(A) payable:

(i) to the state; and

(ii) in an amount and with sureties as approved by the governor; and

(B) that is conditioned on the faithful discharge of the member's duties.

(2) Take and subscribe an oath that must be endorsed upon the member's official bond.

The executed bond and oath shall be filed in the office of the secretary of state. The cost of the bond shall be paid from appropriations made to the school.

Sec. 3. (a) Each voting member of the board who is not an employee of the state or a political subdivision is entitled to the following:

(1) The minimum salary per diem provided by IC 4-10-11-2.1 for each board meeting attended by the member.

(2) Reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

Money for payments to board members under this subsection shall be paid from appropriations made to the school.

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(b) The member of the board appointed under section 2(a)(4) of this chapter is entitled to receive the same per diem, mileage, and travel allowances paid to legislative members of interim study committees established by the legislative council. Per diem, mileage, and travel allowances paid under this subsection shall be paid from appropriations made to the legislative council or the legislative services agency.

Sec. 4. (a) This section applies only to a board member serving under section 2(a)(1) of this chapter.

(b) The term of a board member is four (4) years.

(c) The term of a member begins upon appointment by the governor.

(d) A member may serve after the member's term expires until the term of the member's successor begins.

(e) The governor may reappoint a member to serve a new term.

Sec. 5. Whenever there is a vacancy on the board, the governor shall fill the vacancy for the remainder of the unexpired term.

Sec. 6. (a) At the board's last meeting before July 1 of each year, the board shall elect one (1) member to be chair of the board.

(b) The member elected chair of the board serves as chair beginning July 1 after elected by the board.

(c) The board may reelect a member as chair of the board.

(d) The board shall annually elect one (1) of its members to serve as the secretary for the board.

Sec. 7. Four (4) voting members of the board constitute a quorum. The affirmative vote of at least four (4) members of the board is necessary for the board to take official action other than to do the following:

(1) Adjourn.

(2) Hear reports or testimony.

Sec. 8. The school shall provide staff and administrative support to the board.

Sec. 9. Subject to IC 20-35-2 and IC 20-22-4, the board has complete policy and administrative control and responsibility for the school.

Sec. 10. (a) The board shall do the following:

(1) Establish policies and accountability measures for the school.

(2) Implement this article.

(3) Perform the duties required by IC 5-22-4-8.

(4) Adopt rules under IC 4-22-2 to establish criteria for the admission of hearing disabled children, including children

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with multiple disabilities, at the school.

(5) Hire the superintendent, who serves at the pleasure of the board.

(6) Determine the salary and benefits of the superintendent.

(7) Adopt rules under IC 4-22-2 required by this article.

(b) The board shall submit the school's biennial budget to the department, which shall review the proposed budget. As part of its review, the department may request and shall receive from the board, in a form as may reasonably be required by the department, all information used by the board to develop the proposed budget. If, upon review, the department determines that any part of the budget request is not supported by the information provided, the department shall meet with the board at the earliest date possible in order to reconcile the budget request. The department shall submit the reconciled budget to the budget agency and the budget committee.

Sec. 11. The board may do any of the following to implement this article:

(1) Adopt, amend, and repeal bylaws in compliance with this article to govern the business of the board.

(2) Appoint committees the board considers necessary to advise the board.

(3) Accept gifts, devises, bequests, grants, loans, and appropriations, and agree to and comply with conditions attached to a gift, devise, bequest, grant, loan, or appropriation.

(4) Do all acts and things necessary, proper, or convenient to carry out this article.

Chapter 4. Personnel System

Sec. 1. Except as provided in this chapter, IC 4-15-1.8 and IC 4-15-2 apply to the employees of the school.

Sec. 2. The superintendent shall hire directly for those positions as approved by the state personnel department and the board any candidate the superintendent considers qualified to fill a position at the school. The state personnel department, in collaboration with the board, shall annually develop a list of job classifications for positions at the school for which the superintendent may fill a vacancy by hiring a candidate for the position based on a search for qualified candidates outside the state personnel hiring list.

Sec. 3. (a) The board shall prescribe, subject to the approval of the state personnel department and the budget agency, a salary schedule for the school, using a daily rate of pay for each teacher,

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that must be equal to that of the largest school corporation in the county in which the school is located.

(b) The board shall prescribe the terms of the annual contract awarded to licensed teachers qualifying for payment under the salary schedule as described in subsection (a).

(c) The hours of work for all teachers shall be set in accordance with IC 4-15-2.

SECTION 7. IC 20-23 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

ARTICLE 23. ORGANIZATION OF SCHOOL CORPORATIONS

Chapter 1. County Boards of Education

Sec. 1. (a) As used in this chapter, "board" means a county board of education.

(b) As used in this chapter, "county superintendent" means the county superintendent of schools.

(c) The township trustees of each township of each county constitute a county board of education.

(d) The board shall meet:

(1) monthly at the office of the county superintendent; and

(2) at other times as the county superintendent considers necessary.

(e) The county superintendent:

(1) is ex officio chairperson of the board; and

(2) shall act as administrator of the board, carrying out the acts and duties designated by the board.

(f) The secretary of the board shall keep an accurate record of the minutes of the board. The minutes shall be kept at the county superintendent's office.

(g) A quorum consists of a number of members equal to the number of township schools under the administration of the county superintendent. However, business may not be transacted unless a majority of the trustees of the township schools under the administration of the county superintendent is present. Business shall be transacted and the acts of the board become effective by a two-thirds (2/3) majority vote of members present on matters coming before the board.

(h) This chapter may not be construed as granting the board any authority over:

(1) the selection or employment of any personnel or employees; or

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(2) the purchase of supplies;

in a township school.

(i) Upon nomination by the county superintendent and with the approval of two-thirds (2/3) of the members, the board shall enter into written contracts with additional administrative and supervisory employees who are necessary for the proper administration and supervision of the county school system and the township schools of the county.

(j) Except as provided in subsection (i), funds for the salaries of and supplies for persons employed under this section shall be provided in the same manner as the fixing and appropriation of the salaries of the county superintendent.

(k) The salary or fee of a school attorney related to performing the duties of the attorney's office may in part be paid directly from the school fund.

(l) The board shall make decisions concerning the general conduct of the schools, which shall be enforced as entered upon the minutes recorded by the secretary of the board.

(m) The board:

(1) shall receive through its treasurer from the state money provided and distributed from the state school tuition fund for teaching units for those employed by the board; and

(2) is considered to fulfill all requirements of a school corporation for receiving the funds from the state school tuition fund.

(n) The county treasurer is ex officio treasurer of the board, eligible to receive the distribution of funds from the state. Funds received under this section shall be credited to the county revenue fund as a receipt against the estimated expenditures for the salaries of the school employees, for which distribution was made by the state.

Sec. 2. The board by a majority vote of the members of the board shall appoint a county superintendent of schools who serves for a term of four (4) years. The board shall fill vacancies in this office, in accordance with law, by appointment. An appointment to fill a vacancy under this section expires at the end of the regular term of the county superintendent of schools.

Sec. 3. This chapter may not be construed to affect the status of or to interfere with a county school corporation created by a board under section 6 of this chapter.

Sec. 4. (a) A county superintendent of schools shall see that the full amount of interest on the school fund is paid and apportioned.

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(b) When there is a deficit of interest of any school fund or loss of any school fund or revenue by the county, the county superintendent of schools shall see that proper warrants are issued for the reimbursement of the appropriate fund. However, the board of county commissioners may not pay interest that exceeds the amount provided under this chapter to the county superintendent of schools.

Sec. 5. (a) The official dockets, records, and books of account of the following officers serving in the county must be open at all times to the inspection of the county superintendent of schools:

(1) Clerks of the courts.
(2) County auditor.
(3) County commissioners.
(4) Prosecuting attorneys.
(5) Mayors of cities.
(6) Township trustees.
(7) School trustees.

(b) If the county superintendent of schools finds that any of the officers described in subsection (a) have neglected or refused to collect and pay over interest, fines, forfeitures, licenses, or other claims due the school funds and revenues of the state, or have misapplied the school funds or revenues in their possession, the county superintendent of schools shall:

(1) bring an action in the name of the state of Indiana for the recovery of the money for the benefit of the school fund or revenues; and
(2) make a report concerning the action to the board of county commissioners and to the state superintendent.

Sec. 6. (a) The township trustees of each township of each county shall perform all the civil functions performed before March 13, 1947, by the township trustees. The township trustees of the county constitute a county board of education to manage the affairs of the county school corporation created under this chapter in each county.

(b) School cities and school towns retain independent organization and administration unless abandoned as provided by law. The county school corporation includes all areas not organized on March 13, 1947, into jurisdictions controlled and governed as school cities or school towns.

(c) The board shall meet:

(1) at the time the board designates at the office of the county superintendent; and

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(2) at other times and places the county superintendent considers necessary.

(d) At the first meeting of each year, to be held on the first Wednesday after the first Monday in January, the board shall organize by selecting a president, a vice president, a secretary, and a treasurer from its membership.

(e) The county superintendent shall call the board into special session. Unless the board elects to have this section remain inoperative, the board shall organize itself. The failure of the county superintendent to call the board into session under this section may not be construed to mean that a county school corporation described in this section is in existence in the county, and a county school corporation may not be brought into existence until the board has met in special session after March 13, 1947, and has taken action to organize itself into a county school corporation, after consideration of the question of whether it should elect to have the provisions of this section remain inoperative. The organization, if affected, must be:

(1) filed with the county auditor; and

(2) published by the county auditor in two (2) newspapers of different political persuasions of general circulation throughout the county within ten (10) days after the filing.

The organization is considered to fulfill the requirements of this section for the transacting of public business under this section. The secretary of the board shall keep an accurate record of the minutes of the board, which shall be kept at the county superintendent's office. The county superintendent shall act as administrator of the board and shall carry out such acts and duties as shall be designated by the board. A quorum consists of two-thirds (2/3) of the members of the board.

(f) The board shall:

(1) make decisions as to the general conduct of the schools that may be enforced as entered in the minutes recorded by the secretary of the board; and

(2) exercise all powers exercised before March 13, 1947, by or through township trustees or meetings or petitions of the trustees of the county.

(g) The board shall appoint a county superintendent who serves a term of four (4) years. The board shall fill vacancies in this office by appointments that expire at the end of the regular term. The county superintendent of schools and other persons employed for administrative or supervisory duties are considered to be

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supervisors of instruction.

(h) The government of the common schools of the county is vested in the board. The board has the authority, powers, privileges, duties, and obligations granted to or required of school cities before March 13, 1947, and school towns and their governing boards generally with reference to the following:

(1) The purchase of supplies.

(2) The purchase and sale of buildings, grounds, and equipment.

(3) The erection of buildings.

(4) The employment and dismissal of school personnel.

(5) The right and power to sue and be sued in the name of the county.

(6) Insuring property and employees.

(7) Levying and collecting taxes.

(8) Making and executing a budget.

(9) Borrowing money.

(10) Paying the salaries and expenses of the county superintendent and employees as approved by the board.

(11) Any act necessary to the proper administration of the common schools of the county.

(i) A county school corporation organized under this section:

(1) has all right, title, and interest of the predecessor township school corporations terminated under this section to and in all the real, personal, and other property of any nature and from whatever source derived; and

(2) shall assume, pay, and be liable for all the indebtedness and liabilities of the predecessor school corporation.

(j) The treasurer, before entering upon the duties of treasurer's office, shall execute a bond to the acceptance of the county auditor in an amount equal to the largest sum of money that will be in the possession of the treasurer at any one (1) time conditioned as an ordinary official bond, with a reliable surety company or at least two (2) sufficient freehold sureties, who may not be members of the board, as surety or sureties on the treasurer's bond.

(k) The president and secretary shall each give bond, with a surety or sureties described in subsection (j), to be approved by the county auditor, in the sum of one-fourth (1/4) of the amount required of the treasurer under subsection (j). A board may purchase bonds from a reliable surety company and pay for them out of the special school revenue of the board's county.

(l) The powers set forth in this section may not be considered or

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construed to limit the authority of a board to the powers expressly conferred in this section or to restrict or modify any authority granted by any other law not in conflict with this section.

(m) A board may annually levy the amount of taxes that in the judgment of the board, made a matter of record in the board's minutes, is necessary to produce income sufficient to conduct and carry on the common schools committed to the board.

(n) A board shall annually levy a sum sufficient to meet all payments of principal and interest as they mature in the year for which the levy is made on the bonds, notes, or other obligations of the board. The board may impose tax levies within statutory limits, and the levies are subject to the same review as school city and school town levies.

Chapter 2. County Superintendent of Schools

Sec. 1. (a) The township trustees of each county shall meet at the office of the county auditor on the first Monday in June, 2005, at 10 a.m., and every four (4) years thereafter and elect by ballot a county superintendent for the county. The county superintendent elected by the township trustees shall enter upon the duties of the office on August 16 following and, unless sooner removed, holds the office until a successor is elected and qualified.

(b) Before entering upon the duties of the office, the county superintendent elected under subsection (a) shall:

(1) subscribe and take an oath to perform faithfully the county superintendent's duties according to law; and

(2) file the oath with the county auditor.

(c) The county superintendent shall execute, in the manner prescribed by IC 5-4-1, a bond conditioned upon the faithful discharge of the superintendent's duties.

(d) The county auditor shall report the name and address of the person elected under subsection (a) to the state superintendent.

(e) If a vacancy occurs in the office of county superintendent, the township trustees of the county, on at least three (3) days notice given by the county auditor, shall assemble at 10 a.m., on the day designated in the notice, at the office of the auditor, and fill the vacancy by ballot for the unexpired term.

(f) In all elections of a county superintendent, the county auditor is the clerk of the election. In case of a tie vote, the auditor shall cast the deciding vote. If one (1) candidate receives a number of votes equal to one-half (1/2) of all the trustees of the county, the county auditor shall then and at all subsequent ballots cast the auditor's vote with the trustees until a candidate receives a

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majority of all the votes in the county, including the county auditor. The county auditor shall keep a record of the election in a book kept for that purpose.

Sec. 2. If there is an election of a county superintendent under section 1(a) of this chapter and the person elected dies or fails, refuses, or neglects to assume the duties of the office on or before August 16 of the year of the election, the township trustees shall:

(1) as soon as possible declare a vacancy in the office of county superintendent; and

(2) immediately hold another election to elect a county superintendent under section 1(a) of this chapter.

Sec. 3. (a) A county superintendent may be impeached for immorality, incompetency, or general neglect of duty, or for acting as agent for the sale of any textbook, school furniture, maps, charts, or other school supplies.

(b) Impeachment proceedings are governed by the provisions of law for impeaching county officers.

Sec. 4. (a) The county superintendent has the general superintendence of the schools of the superintendent's county. The county superintendent shall do the following:

(1) Attend each township school at least one (1) time during each school year, and otherwise as often as possible.

(2) Preside over and conduct each school's exercises.

(3) Visit schools while the schools are in session to increase the schools' usefulness and elevate, as far as practicable, the poorer schools to the standard of the best.

(4) Conduct teachers' institutes and encourage other like associations.

(5) Labor, in every practicable way, to elevate the standard of teaching and to improve the condition of the schools of the superintendent's county.

(b) This subsection does not apply to a dispute concerning:

(1) the legality of school meetings;

(2) the establishment of schools;

(3) the location, building, repair, or removal of school buildings;

(4) the transfer of individuals for school purposes; or

(5) the resignation or dismissal of teachers.

In all controversies of a general nature arising under the school law, the decision of the county superintendent must first be obtained. An appeal may be taken from the county superintendent's decision to the state superintendent on a written

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statement of facts, certified by the county superintendent.

(c) This chapter may not be construed to change or abridge the jurisdiction of any court in cases arising under the school laws of Indiana. The right of any person to bring suit in any court, in any case arising under the school laws, is not abridged by this chapter.

(d) The county superintendent:

(1) shall carry out the orders and instructions of the state board and the state superintendent; and

(2) constitutes the medium between the state superintendent and subordinate school officers and the schools.

Sec. 5. City schools that have appointed superintendents are exempt from general superintendence under this chapter upon a written request of the school board of the city.

Sec. 6. The board of county commissioners shall:

(1) provide and furnish an office for the county superintendent; and

(2) allow and pay all costs incurred by the county superintendent for postage, stationery, and records in carrying out this chapter, upon satisfactory proof of the costs incurred submitted by the county superintendent.

The county superintendent shall be paid for the county superintendent's services the sum of four dollars ($4) per day.

Sec. 7. (a) A person may not hold the office of county superintendent unless the person:

(1) has at least five (5) years successful experience as a teacher in the public schools; and

(2) holds, at the time of the person's election, a first or second grade superintendent's license.

(b) This chapter does not:

(1) apply to; or

(2) disqualify;

an incumbent of the office of county superintendent.

Sec. 8. (a) The county superintendent of schools is entitled to receive as actual traveling expenses in discharging the duties of the superintendent's office a sum of not more than three hundred dollars ($300) per year.

(b) The county council may annually appropriate an amount sufficient to pay the expenses described in subsection (a).

(c) The board of county commissioners shall allow an amount appropriated under subsection (b) by a county council.

Chapter 3. School Townships

Sec. 1. (a) A township is a school township.

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(b) A school township is a body politic and corporate, by the name and style of " _____ School _____ township of _____ county", according to the name of the township and of the county in which the school township is organized.

(c) A school township may:

(1) contract and may be contracted with; and

(2) sue and be sued;

in the name of the school township in a court with jurisdiction.

Sec. 2. (a) The school trustees shall:

(1) take charge of the educational affairs of their respective townships, towns, and cities;

(2) employ teachers;

(3) establish and locate conveniently a sufficient number of schools for the education of the children; and

(4) build, or otherwise provide, suitable houses, furniture, apparatus, and other articles and educational appliances necessary for the thorough organization and efficient management of the schools.

The school trustees may establish and maintain, as near the center of the township as practical, at least one (1) separate graded high school, to which sufficiently advanced students shall be admitted.

(b) The school trustees of two (2) or more school corporations may establish and maintain one (1) or more joint graded high schools instead of separate graded high schools. If a joint graded high school is established, the participating school corporations are jointly responsible for the care, management, and maintenance of the school.

(c) A trustee, instead of building a separate graded high school for the trustee's township, shall transfer the students of the trustee's township competent to enter a graded high school to another school corporation.

(d) A graded high school may not be built unless there are, at the time the graded high school is built, at least twenty-five (25) common graduates of school age residing in the township.

Sec. 3. School trustees shall authorize a local tuition levy, not to exceed the limit provided by law, that is sufficient to conduct a six (6) month term of school each year. The levy must be based on estimates and receipts from all sources for the previous year. Receipts from the previous year may include amounts received from the state's tuition revenue.

Sec. 4. (a) School trustees have the care and management of all real and personal property belonging to their respective

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corporations for common school purposes. However, congressional township school lands shall be under the care and management of the trustees of the civil township to which the lands belong.

(b) School trustees shall provide janitorial help considered necessary to properly care for the schools and premises under the school trustees' control.

(c) Each janitor provided by the trustees under subsection (b) shall be paid from the special school funds of the township.

Sec. 5. Each township trustee in operating a school lunch program may use either of the following accounting methods:

(1) The township trustee may supervise and control the program through its school corporation account by establishing a school lunch fund.

(2) The township trustee may have the program operated by the individual schools of the school corporation through the school corporation's extracurricular account or accounts under IC 20-26-6.

Sec. 6. Each township trustee in operating a textbook rental program may use either of the following accounting methods:

(1) The township trustee may supervise and control the program through its school corporation account by establishing a textbook rental fund.

(2) If textbooks have not been purchased and financial commitments or guarantees for these purchases have not been made by the school corporation, the township trustee may have the program operated by the individual schools of the school corporation through the school corporation's extracurricular account or accounts under IC 20-26-6.

Sec. 7. (a) If a school lunch fund is established under section 5 of this chapter or a textbook rental fund is established under section 6 of this chapter, the receipts and expenditures for each program shall be made to and from the proper fund without appropriation or the application of other laws relating to the budgets of local governmental units.

(b) If either program or both programs under sections 5 and 6 of this chapter are operated through the extracurricular account, the township trustee shall approve the amount of the bond of the treasurer of the extracurricular account in an amount the township trustee considers necessary to protect the account for all funds coming into the hands of the treasurer.

Sec. 8. An educational program under this chapter must include a kindergarten program that is at least a half day program.

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Chapter 4. Community School Corporations

Sec. 1. It is the sense of the general assembly:

(1) that the establishment and maintenance of a general, a uniform, and an efficient system of public schools is the traditional and current policy of the state;

(2) that improvement in the organization of school corporations of the state will:

(A) provide a more equalized educational opportunity for public school students;

(B) achieve greater equity in school tax rates among the existing school corporations; and

(C) provide a more effective use of the public funds expended for the support of the public school system;

(3) that existing statutes with respect to the combination and the reorganization of school corporations are inadequate to effectuate the needed improvement;

(4) that modifications in the provisions for the combination and the reorganization of school corporations in this chapter are necessary in order to assure the future maintenance of a uniform and an efficient system of public schools in the state;

(5) that local electors:

(A) have an interest in the boundaries of the school corporation in which they reside; and

(B) will exercise their privileges, as provided in this chapter, to establish an efficient and economical reorganization plan best suited to local conditions; and

(6) that:

(A) the state board; and

(B) the:

(i) committees; and

(ii) public officers;

charged with authority under this chapter;

will perform their duties wisely in view of the objective of this chapter as set forth in the title of this chapter.

Sec. 2. As used in this chapter, "attendance unit" or "school unit" means the area of an administrative unit served by a single school.

Sec. 3. As used in this chapter, "community school corporation" means a school corporation:

(1) proposed to be formed; or

(2) formed;

under this chapter, including a united school corporation.

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Sec. 4. As used in this chapter, "county committee" or "committee" means the county committee for the reorganization of school corporations provided for in sections 11 through 17 of this chapter.

Sec. 5. As used in this chapter, "county superintendent" means the county superintendent of schools.

Sec. 6. As used in this chapter, "party" includes:

(1) a person;
(2) a firm;
(3) a limited liability company;
(4) a corporation;
(5) an association; or
(6) a municipality;

interested in proceedings under this chapter.

Sec. 7. As used in this chapter, "reorganization of school corporations" means the formation of new school corporations, the alteration of the boundaries of established school corporations, and the dissolution of established school corporations by:

(1) the uniting of two (2) or more established school corporations;
(2) the subdivision of one (1) or more school corporations;
(3) the transfer to a school corporation of a part of the territory of one (1) or more school corporations;
(4) the attachment to a school corporation of all or part of the territory of one (1) or more school corporations; and
(5) any combination of the methods listed in subdivisions (1) through (4).

Sec. 8. As used in this chapter, "school aid bonds" means bonds of a civil unit of government, the proceeds of which are used for school purposes in any school corporation.

Sec. 9. As used in this chapter,"united school corporation" means a school corporation that has territory in two (2) or more adjacent counties.

Sec. 10. State and county officers shall make available to:

(1) the county committees; and
(2) the state board;

information from public records in the officers' possession that is essential to the performance by the county committees and the state board of duties set forth in this chapter and IC 20-23-16-1 through IC 20-23-16-11.

Sec. 11. (a) A county committee for the reorganization of school corporations consists of nine (9) members. In a county that has a

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county superintendent:

(1) the superintendent is an ex officio member of the committee; and

(2) the remaining members of the committee are appointed by the judge of the circuit court of the county.

In a county that does not have a county superintendent, all the members of the committee are appointed by the judge of the circuit court of the county. Appointments under this subsection are subject to subsections (f) through (h).

(b) Before the time specified in this section, the judge of the circuit court shall call into a county convention each of the township trustees of the county and the members of each local board of school trustees or board of school commissioners in the county to advise the judge in the selection of the members of the county committee. Except as provided in subsection (c), the judge must give at least ten (10) days notice of the convention by publication in:

(1) one (1) newspaper of general circulation published in the affected area; or

(2) if a newspaper is not published in the affected area, in a newspaper having a general circulation in the affected area.

(c) In a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000), the judge of the circuit court shall publish the notice referred to in subsection (b) in two (2) newspapers of general circulation published in the affected area or having a general circulation in the affected area. The notice must specify:

(1) the date, time, place, and purpose of the county convention; and

(2) that the county convention is open to all residents of the county.

(d) At the county convention, the judge of the circuit court shall:

(1) explain or have explained; and

(2) afford an opportunity for attendees to discuss;

the provisions of this chapter.

(e) Not later than ten (10) days after the date of the county convention, the judge of the circuit court shall select the appointive members of the county committee.

(f) In a county that has a county board of education, one (1) member of the county committee must be a township trustee recommended by the county board of education.

(g) In a county in which there is a board of school trustees or a

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board of school commissioners, one (1) member of the county committee:

(1) must be a member of:

(A) the board of school trustees; or

(B) the board of school commissioners; and

(2) may not be a township trustee.

(h) One (1) member of the county committee must be:

(1) a superintendent of schools;

(2) a principal of:

(A) a school city;

(B) a school town; or

(C) a consolidated school or corporation; or

(3) a superintendent of a community school corporation.

(i) The members of the county committee not referred to in subsections (f) through (h):

(1) may not be members of or employed by:

(A) a board of school trustees; or

(B) a board of school commissioners;

(2) may not be members of or employed by a:

(A) local; or

(B) county;

board of education;

(3) may not be:

(A) township trustees; or

(B) employees of township trustees; and

(4) are appointed without regard to political affiliation.

(j) The judge of the circuit court shall give written notice immediately to each person selected for appointment to the county committee. Each person selected shall notify the judge of the circuit court in writing not later than ten (10) days after receipt of the notice whether the person accepts the appointment. If a person:

(1) refuses an appointment; or

(2) fails to notify the judge of the circuit court of the person's acceptance or refusal of an appointment;

the judge shall select a qualified replacement for appointment to the county committee.

(k) Not later than thirty (30) days after the date of the county convention, the county committee shall meet to organize and to elect from its membership:

(1) a chairperson;

(2) a treasurer; and

(3) a secretary.

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The secretary may be the county superintendent or the superintendent of one (1) of the school corporations in the county.

(l) The chairperson and the members of the county committee serve without compensation. Subject to approval by the state board, the chairperson of the county committee shall:

(1) secure necessary office space and equipment;

(2) engage necessary clerical help; and

(3) receive reimbursement for any necessary expenses incurred by the chairperson with respect to duties in connection with the county committee.

(m) Members of the county committee hold office for terms of four (4) years until the reorganization program in the county is completed, subject to replacement as prescribed in this chapter. An appointed member who ceases to be a resident of the county may not continue to serve on a county committee.

(n) An individual appointed member of a county committee or the appointed members as a group are not disqualified from serving on a county committee because they fail at any time to meet the qualifications for appointment by the judge of the circuit court, other than county residence, if they met the qualifications at the time of their appointments.

(o) Vacancies shall be filled by the remaining members of the committee without regard for the qualifications for appointment by the judge of the circuit court.

(p) Meetings of the county committee shall be held:

(1) upon call of the chairperson; or

(2) by a petition to hold a meeting signed by a majority of the members of the committee.

(q) A majority of the committee constitutes a quorum.

Sec. 12. (a) In formulating a preliminary reorganization plan and with respect to each of the community school corporations that are a part of the reorganization plan, the county committee shall determine the following:

(1) The name of the community school corporation.

(2) Subject to subsection (e), a general description of the boundaries of the community school corporation.

(3) With respect to the board of school trustees:

(A) whether the number of members is:

(i) three (3);

(ii) five (5); or

(iii) seven (7);

(B) whether the members are elected or appointed;

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(C) if the members are appointed:
(i) when the appointments are made; and
(ii) who makes the appointments;
(D) if the members are elected, whether the election is at:
(i) the primary election at which county officials are nominated; or
(ii) the general election at which county officials are elected; and
(E) subject to sections 21 and 22 of this chapter, the manner in which members are elected or appointed.
(4) The compensation, if any, of the members of the regular and interim board of school trustees, which may not exceed the amount provided in IC 20-26-4-6.
(5) Subject to subsection (f), qualifications required of the members of the board of school trustees, including limitations on:
(A) residence; and
(B) term of office.
(6) If an existing school corporation is divided in the reorganization, the disposition of assets and liabilities.
(7) The disposition of school aid bonds, if any.

(b) If existing school corporations are not divided in the reorganization, the:
(1) assets;
(2) liabilities; and
(3) obligations;
of the existing school corporations shall be transferred to and assumed by the new community school corporation of which they are a part, regardless of whether the plan provides for transfer and assumption.

(c) The preliminary plan must be supported by a summary statement of:
(1) the educational improvements the plan's adoption will make possible;
(2) data showing the:
(A) assessed valuation;
(B) number of resident students in average daily attendance in grades 1 through 12;
(C) assessed valuation per student referred to in clause (B); and
(D) property tax levies;
of each existing school corporation to which the plan applies;

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(3) the:

(A) assessed valuation;

(B) resident average daily attendance; and

(C) assessed valuation per student;

data referred to in subdivision 2(A) through 2(C) that would have applied for each proposed community school corporation if the corporation existed in the year the preliminary plan is prepared or notice of a hearing or hearings on the preliminary plan is given by the county committee; and

(4) any other data or information the county committee considers appropriate or that may be required by the state board in its rules.

(d) The county committee:

(1) shall base the assessed valuations and tax levies referred to in subsection (c)(2) through (c)(3) on the valuations applying to taxes collected in:

(A) the year the preliminary plan is prepared; or

(B) the year notice of a hearing or hearings on the preliminary plan is given by the county committee;

(2) may base the resident average daily attendance figures on the calculation of the figures under the rules under which they are submitted to the state superintendent by existing school corporations; and

(3) shall set out the resident average daily attendance figures for:

(A) the school year in progress if the figures are available for that year; or

(B) the immediately preceding school year if the figures are not available for the school year in progress.

The county committee may obtain the data and information referred to in this subsection from any source the committee considers reliable. If the county committee attempts in good faith to comply with this subsection, the summary statement referred to in subsection (c) is sufficient regardless of whether the statement is exactly accurate.

(e) The general description referred to in subsection (a)(2) may consist of an identification of an existing school corporation that is to be included in its entirety in the community school corporation. If a boundary does not follow the boundary of an existing civil unit of government or school corporation, the description must set out the boundary:

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(1) as near as reasonably possible by:

(A) streets;

(B) rivers; and

(C) other similar boundaries;

that are known by common names; or

(2) if descriptions as described in subdivision (1) are not possible, by section lines or other legal description.

The description is not defective if there is a good faith effort by the county committee to comply with this subsection or if the boundary may be ascertained with reasonable certainty by a person skilled in the area of real estate description. The county committee may require the services of the county surveyor in preparing a description of a boundary line.

(f) A member of the board of school trustees:

(1) may not serve an appointive or elective term of more than four (4) years; and

(2) may serve more than one (1) consecutive appointive or elective term.

Sec. 13. (a) When a county committee has prepared its preliminary written plans for reorganization of school corporations, the committee shall fix dates and places for one (1) or more hearings on the plans and give notice of the hearings to the residents of the school corporations affected and all interested parties. The county committee may hold more than one (1) hearing. The chairperson of the county committee shall give the notice:

(1) by publication at least one (1) time in one (1) newspaper of general circulation published in the school corporation or corporations; or

(2) if a newspaper is not published in the school corporation or corporations, in a newspaper having a general circulation in the school corporation or corporations;

at least ten (10) days but not more than thirty (30) days before the date of the hearing.

(b) At the hearing:

(1) the county committee shall:

(A) explain the proposed reorganization plan;

(B) summarize the educational improvements adoption of the plan will make possible; and

(C) if the proposed reorganization includes division of an existing school corporation, state the adjustment proposed for:

(i) property;

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(ii) assets;
(iii) debts; and
(iv) other liabilities; and

(2) any resident of the county or of any affected school corporation in an adjoining county may be heard with reference to:

(A) the proposed plan; or
(B) an alternative plan.

Sec. 14. (a) The county committee shall consider any suggestions made in the public hearing and shall make any revisions or modifications in its written plans as it considers necessary and shall thereupon without any further hearing adopt its final comprehensive reorganization plan, and, within ten (10) days after such adoption, but not later than January 14, 1964, shall submit at least three (3) copies of its comprehensive plan to the state board. However, if a county committee encounters any difficulties in formulating and adopting either its preliminary or comprehensive plan for the reorganization of school corporations, through no lack of diligence upon the part of the committee so that it is unable to submit its plans to the state board within the period specified, the county committee may apply to the state board for an extension of time in which to complete and adopt its preliminary or comprehensive plan. The application may be made during or after the original or any extended period for which an extension is asked.

(b) The state board may, if the facts and circumstances warrant, grant such extension or extensions as it may see fit.

Sec. 15. The county committee may submit to the state board for approval, in accordance with section 18 of this chapter, a plan for the reorganization of one (1) or more school corporations without awaiting the completion of a comprehensive plan. The plan becomes an integral part of the comprehensive plan the county committee is required to prepare.

Sec. 16. The form of a preliminary or final comprehensive plan of reorganization is sufficient if the plan contains in its own terms or by reference the following for each proposed community school corporation:

(1) The name of the proposed community school corporation.
(2) A general description of the boundaries of the community school corporation as provided in section 12 of this chapter.
(3) The number of members of the board of school trustees and whether the members are elected or appointed.
(4) The manner in which the board of school trustees, other

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than the interim board, is elected or appointed.

(5) If a school corporation is divided as part of the reorganization, the disposition of assets and liabilities of the school corporation.

(6) The statement required by section 12 of this chapter if that statement is submitted or adopted with the plan.

Sec. 17. (a) The county committee may form one (1) or more advisory committees.

(b) An advisory committee may include as members:

(1) superintendents; or

(2) principals;

of local school corporations.

(c) An advisory committee or the individual members of an advisory committee shall:

(1) help the county committee; and

(2) furnish information to the county committee;

as requested by the county committee.

Sec. 18. (a) The state board shall:

(1) aid the county committees, as required by subsection (b), in carrying out:

(A) the powers conferred; and

(B) the duties imposed;

on the committees by this chapter;

(2) receive and examine each plan for the reorganization of a school corporation submitted to the state board by a county committee and approve each plan that meets the standards of the state board;

(3) adopt a set of minimum standards, in furtherance of the policy expressed in section 1 of this chapter, which all proposed community school corporations must meet, insofar as feasible;

(4) not later than ninety (90) days after receipt of a reorganization plan, hold a public hearing in the county to which the plan mainly applies to allow residents of the affected territory to testify;

(5) not later than sixty (60) days after the public hearing:

(A) approve or disapprove in writing all or part of the plan; and

(B) notify in writing the county committee concerned;

(6) assist any county committee whose plan does not meet minimum standards in revising the plan and permit the committee to resubmit the plan not later than ninety (90) days

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after receipt of notice of nonapproval; and

(7) adopt rules under IC 4-22-2 for:

(A) the conduct of its own business; and

(B) the guidance and direction of county committees;

to carry out this chapter and IC 20-23-16-1 through IC 20-23-16-11.

(b) The minimum standards for community school corporations proposed under this chapter or IC 20-23-16-1 through IC 20-23-16-11 must provide for the inclusion of all the area of a county in:

(1) a school corporation; or

(2) school corporations;

to furnish efficient and adequate educational opportunity for all students in grades 1 through 12.

(c) Before the adoption of a preliminary written plan, the county committee and the state board may meet to consider problems encountered by the county committee in formulating a plan. Following the meeting, the state board may waive in writing any specified minimum standard for a designated geographic area on the ground that meeting the standard is not feasible.

(d) The state board is not required to hold a public hearing on a plan that does not meet the minimum standards required by the state board unless the state board waives the attainment of a minimum standard.

Sec. 19. (a) If the creation of a community school corporation out of an existing corporation would not involve a change in its territorial boundaries or in its board of school trustees or other governing body, other than a change, if any, in the time of election or appointment or the time the board members take office, and the creation is consistent with the standards set up under this chapter as modified, if any, by the standards set out in this section, the state board may upon its own motion or upon petition of the governing body of the existing school corporation at any time with hearing in the county where such school corporation is located, after notice by publication at least once in one (1) newspaper of general circulation published in the county where such school corporation is located, at least ten (10) but not more than thirty (30) days before the date of a hearing, and without action of the county committee declare such existing school corporation to be a community school corporation by adopting a resolution to this effect. The existing school corporation qualifies as to size and financial resources if it has an average daily attendance of at least

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two hundred seventy (270) students in grades 9 through 12 or at least one thousand (1,000) students in grades 1 through 12, and has an assessed valuation per student of at least five thousand dollars ($5,000). For the purposes of this provision, the following terms have the following meanings:

(1) "County tax" means a property tax that is levied at an equal rate in the entire county in which any school corporation is located, other than a tax qualifying as a countywide tax within the meaning of Acts 1959, c.328, s.2, or any similar statute, and the net proceeds of which are distributed to school corporations in the county.

(2) "Assessed valuation" of any school corporation means the net assessed value of its real and personal property as of March 1, 1964, adjusted in the same manner as such assessed valuation is adjusted for each county by the department of local government finance under Acts 1949, c.247, s.5, as amended, unless that statute has been repealed or no longer provides for such adjustment. If a county has a county tax, the assessed valuation of each school corporation in the county shall be increased by the amount of assessed valuation, if any, that would be required to raise an amount of money, equal to the excess of the amount distributed to any school corporation from the county tax over the amount collected from the county tax in the school corporation, using total taxes levied by the school corporation in terms of rate, excluding the countywide tax under Acts 1959, c.328, s.2, or any similar statute and including all other taxes levied by or for the school corporation, including but not limited to the county tax, bond fund levy, lease rental levy, library fund levy, special school fund levy, tuition fund levy, capital projects fund levy, and special funds levies. The increased valuation shall be based on the excess distributed to the school corporation from the county tax levied for the year 1964 and the total taxes levied for the year, or if the county tax is first applied or is raised for years after 1964, then the excess distributions and total taxes levied for the year in which the tax is first applied or raised. If the excess distribution and total taxes levied cannot be determined accurately on or before the adoption of the resolution provided in this section, excess distribution and taxes levied shall be estimated by the department of local government finance using the last preceding assessed valuations and tax rates or such other information as that

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department determines, certifying the increased assessment to the state board before such time. In all cases, the excess distribution shall be determined upon the assumption that the county tax is one hundred percent (100%) collected and all collections are distributed.

(3) "Assessed valuation per student" of any school corporation means the assessed valuation of any school corporation divided by its average daily attendance in grades 1 through 12.

(4) "Average daily attendance" in any school corporation means the average daily attendance of students who are residents in the school corporation and in the particular grades to which the term refers for the school year 1964-1965 in accordance with the applicable regulations of the state superintendent, used in determining average daily attendance in the distribution of the tuition funds by the state to its various school corporations where funds are distributed on such basis and irrespective of whether the figures are the actual resident daily attendance of the school for the school year.

(b) The community school corporation shall automatically come into being on either July 1 or January 1 following the date of approval, whichever is earlier. The state board shall mail by certified United States mail, return receipt requested, a copy of the resolution certified by county committee's chairperson or secretary to the recorder of the county from which the county committee having jurisdiction of such existing school corporation was appointed and to such county committee. The resolution may change the time of election or appointment of the board of trustees of the school corporation or the time such trustees take office. The recorder shall without cost record the certified resolution in the miscellaneous records of the county. The recording shall constitute a permanent record of the action of the state board and may be relied on by any person. Unless the resolution provides that an interim member of the board of trustees shall not be appointed, the board of trustees in office on the date of the action shall continue to constitute the board of trustees of the school corporation until their successors are qualified, and the terms of their respective office and board membership shall remain unchanged except to the extent that the resolution otherwise provides. For purposes of this chapter and IC 20-23-16-1 through IC 20-23-16-11, a community school corporation shall be regarded as a school corporation

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created under section 16 of this chapter.

Sec. 20. (a) After the state board approves a comprehensive plan or partial plan for reorganization of school corporations as submitted to the state board by a county committee, the state board shall promptly, by certified mail with return receipt requested, give written notice of the approval to:

(1) the chairperson of the county committee submitting the plan; and

(2) the judge of the circuit court of the county from which the county committee was appointed.

(b) After notice is given under subsection (a), a community school corporation proposed by a plan referred to in subsection (a) may be created:

(1) by petition as provided in this section;

(2) by election as provided in section 21 of this chapter; or

(3) under section 22 of this chapter.

(c) After receipt of the plan referred to in subsection (a) by the county committee and before or after the election described in section 21 of this chapter, a community school corporation proposed by a plan referred to in subsection (a) may be created by a petition. The petition must be signed by at least fifty-five percent (55%) of the registered voters residing in the community school corporation, determined in the manner set out in this section, and filed by any signer or by the county committee with the clerk or clerks of the circuit court or courts of the county or counties where the voters reside. The petition must state that the signers request the establishment of a community school corporation and must contain the following information:

(1) The name of the proposed community school corporation.

(2) A general description of the boundaries as set out in the plan.

(3) The number of members of the board of school trustees.

(4) The manner in which:

(A) the permanent board of school trustees; and

(B) if covered in the plan, the interim board of school trustees;

will be elected or appointed.

(5) The compensation, if any, of the members of:

(A) the permanent board of school trustees; and

(B) if covered in the plan, the interim board of school trustees.

(6) The disposition, if any, of assets and liabilities of each

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existing school corporation that:

(A) is included in the proposed community school corporation; and

(B) has been divided.

(7) The disposition of school aid bonds, if any.

(d) The petition referred to in subsection (c) must show:

(1) the date on which each person signed the petition; and

(2) the person's residence address on that date.

The petition may be executed in several counterparts, the total of which constitutes the petition described in this section. An affidavit of the person circulating a counterpart must be attached to the counterpart. The affidavit must state that each signature appearing on the counterpart was affixed in the person's presence and is the true and lawful signature of the signer. Each signer on the petition may withdraw the signer's signature from the petition before the petition is filed with the clerk of the circuit court. Names may not be added to the petition after the petition is filed with the clerk of the circuit court.

(e) After receipt of the petition referred to in subsection (c), the clerk of the circuit court shall make a certification under the clerk's hand and seal of the clerk's office as to:

(1) the number of signers of the petition;

(2) the number of signers of the petition who are registered voters residing in:

(A) the proposed community school corporation; or

(B) the part of the school corporation located in the clerk's county;

as disclosed by the voter registration records of the county;

(3) the number of registered voters residing in:

(A) the proposed community school corporation; or

(B) the part of the school corporation located in the clerk's county;

as disclosed by the voter registration records of the county; and

(4) the date of the filing of the petition with the clerk.

If a proposed community school corporation includes only part of a voting precinct, the clerk of the circuit court shall ascertain from any means, including assistance from the county committee, the number of registered voters residing in the part of the voting precinct.

(f) The clerk of the circuit court shall make the certification referred to in subsection (e):

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(1) not later than thirty (30) days after the filing of the petition under subsection (c), excluding from the calculation of that period the time during which the registration records are unavailable to the clerk; or

(2) within any additional time as is reasonably necessary to permit the clerk to make the certification.

In certifying the number of registered voters, the clerk shall disregard any signature on the petition not made in the ninety (90) days that immediately precede the filing of the petition with the clerk as shown by the dates set out in the petition. The clerk shall establish a record of the certification in the clerk's office and shall return the certification to the county committee.

(g) If the certification or combined certifications received from the clerk or clerks disclose that the petition was signed by at least fifty-five percent (55%) of the registered voters residing in the community school corporation, the county committee shall publish a notice in two (2) newspapers of general circulation in the community school corporation. The notice must:

(1) state that the steps necessary for the creation and establishment of the community school corporation have been completed; and

(2) set forth:

(A) the number of registered voters residing in the community school corporation who signed the petition; and

(B) the number of registered voters residing in the community school corporation.

(h) A community school corporation created by a petition under this section takes effect on the earlier of:

(1) July 1; or

(2) January 1;

that next follows the date of publication of the notice referred to in subsection (g).

(i) If a public official fails to perform a duty required of the official under this chapter within the time prescribed in this section and sections 21 through 24 of this chapter, the omission does not invalidate the proceedings taken under this chapter.

(j) An action:

(1) to contest the validity of the formation or creation of a community school corporation under this section;

(2) to declare that a community school corporation:

(A) has not been validly formed or created; or

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(B) is not validly existing; or

(3) to enjoin the operation of a community school corporation;

may not be instituted later than thirty (30) days after the date of publication of the notice referred to in subsection (g).

Sec. 21. (a) If the chairperson of the county committee does not receive the certification or combined certifications under section 20(f) of this chapter not later than ninety (90) days after the receipt by the county committee of the plan referred to in section 20(a) of this chapter, the judge of the circuit court of the county from which the county committee submitting the plan was appointed shall:

(1) certify the public question under IC 3-10-9-3; and

(2) order the county election board to conduct a special election in which the registered voters residing in the proposed community school corporation may vote to determine whether the corporation will be created.

(b) If:

(1) a primary election at which county officials are nominated; or

(2) a general election at which county officials are elected;

and for which the question can be certified in compliance with IC 3-10-9-3 is to be held not later than six (6) months after the receipt by the chairperson of the county committee of the plan referred to in section 20(a) of this chapter, regardless of whether the ninety (90) day period referred to in subsection (a) has expired, the judge shall order the county election board to conduct the special election to be held in conjunction with the primary or general election.

(c) If a primary or general election will not be held in the six (6) month period referred to in subsection (b), the special election shall be held:

(1) not earlier than sixty (60) days; and

(2) not later than one hundred twenty (120) days;

after the expiration of the ninety (90) day period referred to in subsection (a).

(d) The county election board shall give notice under IC 5-3-1 of the special election referred to in subsection (a).

(e) The notice referred to in subsection (d) of a special election must:

(1) clearly state that the election is called to afford the registered voters an opportunity to approve or reject a proposal for the formation of a community school

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corporation;

(2) contain:

(A) a general description of the boundaries of the community school corporation as set out in the plan;

(B) a statement of the terms of adjustment of:

(i) property;

(ii) assets;

(iii) debts; and

(iv) liabilities;

of an existing school corporation that is to be divided in the creation of the community school corporation;

(C) the name of the community school corporation;

(D) the number of members comprising the board of school trustees; and

(E) the method of selecting the board of school trustees of the community school corporation; and

(3) designate the date, time, and voting place or places at which the election will be held.

(f) A special election referred to in subsection (a) is under the direction of the county election board in the county. The election board shall take all steps necessary to carry out the special election. If the special election is not conducted at a primary or general election, the cost of conducting the election is:

(1) charged to each component school corporation embraced in the community school corporation in the same proportion as the component school corporation's assessed valuation is to the total assessed valuation of the community school corporation; and

(2) paid:

(A) from any current operating fund not otherwise appropriated of; and

(B) without appropriation by;

each component school corporation.

If a component school corporation is to be divided and its territory assigned to two (2) or more community corporations, the component school corporation's cost of the special election is in proportion to the corporation's assessed valuation included in the community school corporation.

(g) The county election board shall place the public question on the ballot in the form prescribed by IC 3-10-9-4. The public question must state "Shall the (here insert name) community school corporation be formed as provided in the Reorganization

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Plan of the County Committee for the Reorganization of School Corporations?". Except as otherwise provided in this chapter, the election is governed by IC 3.

(h) If a majority of the votes cast at a special election referred to in subsection (a) on the public question are in favor of the formation of the corporation, a community school corporation is created and takes effect on the earlier of:

(1) the July 1; or

(2) the January 1;

that next follows the date of publication of the notice referred to in subsection (d).

(i) If a public official fails to perform a duty required of the official under this section within the time prescribed in this section, the omission does not invalidate the proceedings taken under this section.

(j) An action:

(1) to contest the validity of the formation or creation of a community school corporation under this section;

(2) to declare that a community school corporation:

(A) has not been validly formed or created; or

(B) is not validly existing; or

(3) to enjoin the operation of a community school corporation;

may not be instituted later than thirty (30) days after the date of the special election referred to in subsection (a).

Sec. 22. (a) This section applies to a proposed school corporation reorganization plan approved by the state board that involves no change in:

(1) territorial boundaries; or

(2) the board of school trustees or other governing body;

of a school corporation, other than a change in the time of election of board members or the time the board members take office.

(b) A plan referred to in subsection (a) automatically comes into being on the earlier of:

(1) the July 1; or

(2) the January 1;

that next follows the date of approval of the plan by the state board.

(c) If subsection (b) applies:

(1) an interim board of trustees member may not be appointed;

(2) the board members in office on the date the plan comes

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into being under subsection (b) continue to constitute the governing body of the school corporation until their successors are qualified; and

(3) the:

(A) terms of offices; and

(B) board memberships;

of the board members remain unchanged except to the extent the plan provides otherwise.

Sec. 23. (a) If a proposal for the formation of a community school corporation is rejected by the voters at the special election provided for in this chapter, the county committee shall:

(1) subject to subsection (b), devise a new plan of reorganization considered more acceptable to the electors of the territory affected; or

(2) subject to subsection (c), direct the county election board or boards to resubmit the same plan rejected by the voters.

(b) The county committee shall submit a new plan devised under subsection (a)(1) to the state board for the state board's approval not later than six (6) months after the date of the special election at which the proposal was rejected, subject to the same conditions and requirements concerning extensions of time and other matters provided in this chapter. If the new plan is approved by the state board, the procedures of this chapter for the creation of a community school corporation must be followed.

(c) The county committee may direct the county election board or boards to resubmit the plan referred to in subsection (a)(2) at a special election to be held not later than six (6) months after the special election at which the proposal was rejected. If a primary or general election for state offices is to be held not later than six (6) months after the special election at which the proposal was rejected, the special election must be held in conjunction with the primary or general election. The judge of the circuit court shall give notice by publication of the special election on request of the county committee. The special election is held in the same manner required for the holding of a special election under section 21 of this chapter. Officials concerned shall take all actions necessary to conduct the special election as required under section 21 of this chapter.

Sec. 24. (a) Except as provided in subsection (b), if a public official fails to perform a duty required under this chapter or IC 20-23-16-1 through IC 20-23-16-11 within the time prescribed in this chapter or IC 20-23-16-1 through IC 20-23-16-11, the

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omission does not invalidate any proceedings taken by the official.

(b) This section:

(1) does not apply to the time within which a county committee must accept jurisdiction of all or part of a school corporation from another county committee following a petition under IC 20-23-16-1; and

(2) may not be construed to extend the time within which petitions may be filed by registered voters under this chapter or IC 20-23-16-1 through IC 20-23-16-11.

Sec. 25. (a) A party aggrieved by the decision of the county committee after the hearing provided for under section 13 of this chapter may:

(1) appear before the state board when the state board holds public hearings on the reorganization plan involved; and

(2) state the grievance.

(b) A party aggrieved by the decision of the state board after the hearing provided for in section 13 of this chapter may appeal within thirty (30) days from the decision to the court in the county on any question of adjustment of:

(1) property;

(2) debts; and

(3) liabilities;

among the school corporations involved. Notice of the appeal shall be given to the chairperson or secretary of the county committee ten (10) days before the appeal is filed with the court.

(c) The court may:

(1) determine the constitutionality and the equity of the adjustment or adjustments proposed; and

(2) direct the county committee to alter the adjustment or adjustments found by the court to be inequitable or violative of any provision of the Constitution of the State of Indiana or of the United States.

An appeal may be taken to the supreme court or the court of appeals in accordance with the rules of civil procedure of the state.

(d) A determination by the court with respect to the adjustment of:

(1) property;

(2) debts; and

(3) liabilities;

among the school corporations or areas involved does not otherwise affect the validity of the reorganization or creation of a school corporation or corporations under this chapter or

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IC 20-23-16-1 through IC 20-23-16-11.

Sec. 26. (a) This section applies to each community school corporation.

(b) A community school corporation established under this chapter or IC 20-23-16-1 through IC 20-23-16-11, is a body corporate and politic. The corporation may:

(1) sue and be sued; and

(2) acquire, hold, and convey real and personal property necessary to the community school corporation's establishment and operation.

(c) A corporation has:

(1) all the powers, rights, duties, and obligations of the school cities of any class in which the school corporation would fall if it were organized as a school city; and

(2) the additional powers granted school corporations:

(A) in general; or

(B) school corporations in the population or other classifications in which the school corporation falls.

(d) The officers of the governing body are a:

(1) president;

(2) secretary;

(3) treasurer; and

(4) vice president, if the board of trustees consists of more than three (3) members.

Sec. 27. (a) Subsections (b) and (c) do not apply to a community school corporation created before March 12, 1965. A community school corporation created before March 12, 1965, shall operate in accordance with the plan under which it was created and the statutes applicable to that plan, as if Acts 1965, c.336, s.4 had not been enacted.

(b) If the members of a governing body are elected, the members shall be elected in accordance with one (1) of the options set forth in subsection (c) or in accordance with section 35 of this chapter. The options must be set out in the plan with sufficient description to permit the plan to be operable with respect to the community school corporation. The description may be partly or wholly by reference to the applicable option.

(c) The options described in subsection (b) are the following:

(1) Members of a governing body:

(A) may reside anywhere in the school corporation; and

(B) shall be voted upon by all registered voters living within the school corporation voting at any governing body

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member election.

(2) The community school corporation shall be divided into two (2) or more residence districts with one (1) or more members of the governing body resident within each of the residence districts. The plan may also provide that one (1) or more members of the governing body may reside anywhere in the community school corporation. The plan:

(A) must set out the number of members to be elected from each district;

(B) may provide for the election of an equal number of members from each district; and

(C) must set out the number, if any, to be elected at large without reference to governing body member districts.

Under this option, all candidates must be voted on by all registered voters of the community school corporation voting at any governing body member election.

(3) The community school corporation shall be divided into three (3) residence districts of approximately equal population. In a district divided into three (3) residence districts, if:

(A) the governing body consists of three (3) members, one (1) member must reside in each residence district;

(B) the governing body consists of five (5) members, two (2) members may not reside in any one (1) residence district; and

(C) the governing body consists of seven (7) members, at least two (2) shall be elected from each residence district.

Candidates shall be voted on by all registered voters of the community school corporation voting at any governing body member election.

(4) The community school corporation shall be divided into two (2) or more electoral districts. Each member:

(A) serves from one (1) electoral district;

(B) must be a resident of the district; and

(C) must be voted upon by the registered voters residing within the electoral district and voting at any governing body member election.

The plan must set out the number to be elected from each electoral district and may provide for election of an equal number of members from each district. The plan must provide that not less than one (1) less than a majority of the governing body may reside anywhere in the community

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school corporation and must be voted upon by all its registered voters voting at any governing body member election.

(5) The community school corporation consists of one (1) electoral district that must embrace the entire community school corporation from which a majority of the members of the governing body shall be elected by all the registered voters of the community school corporation voting at a governing body member election. The other electoral districts must be subdivisions of the community school corporation. Each of the remaining members of the governing body:

(A) serves from one (1) of the latter electoral districts;

(B) must be a resident of that district; and

(C) must be voted upon by registered voters voting at a governing body member election.

The plan must set out the number to be elected from each district and may provide for the election of an equal number of members from the district.

(6) The community school corporation shall be divided into two (2) or more electoral districts. Each member:

(A) serves from one (1) electoral district;

(B) must be a resident of that district; and

(C) must be voted upon only by the registered voters residing within that district who vote at a governing body election.

The plan must set out the number of members to be elected from each electoral district in the school corporation and may provide for election of an equal number of members from each district.

Sec. 28. (a) Subsections (b) through (g) do not apply to a community school corporation created before March 12, 1965. A community school corporation created before March 12, 1965, shall operate in accordance with the plan under which it was created and the statutes applicable to that plan, as if Acts 1965, c.336, s.4 had not been enacted.

(b) If the members of the governing body are to be appointed, they shall be appointed in accordance with one (1) of the options described in subsection (c). The option must be set out in the plan with sufficient description to permit the plan to be operable with respect to each community school corporation. The description may be partly or wholly by reference to the applicable option provided in this section.

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(c) The options described in subsection (b) are the following:

(1) Members of the governing body may reside anywhere in the community school corporation.

(2) The community school corporation shall be divided into two (2) or more governing body member districts, any one (1) of which may embrace the entire community school corporation. Each member:

(A) serves from a particular district; and

(B) must be a resident of the district.

The plan must set out the number to be appointed from each district and may provide for an equal number of members from each district.

(d) The plan, under either option in subsection (c), may provide that the first appointments of the governing body members are for staggered terms of not more than four (4) years. Thereafter, appointments shall be made for terms of four (4) years. All terms of office for appointive governing body members expire June 30 in the applicable year.

(e) A plan providing for the appointment of members of the governing body must designate the appointing authority. The authority may be the same for each governing body member and must be one (1) or more of the following:

(1) The judge of the circuit or superior court.

(2) The city executive.

(3) The legislative body of a city.

(4) The board of commissioners of a county.

(5) The county fiscal body.

(6) The town legislative body.

(7) The township executive.

(8) The township legislative body.

(9) A township executive and legislative body jointly.

(10) More than one (1) township executive and legislative body jointly.

(f) If an appointment is to be made by:

(1) a body, the appointment must be made by a majority vote of the body in official session;

(2) township executives, the appointment must be made by a majority vote of the executives taken in joint session; and

(3) township legislative bodies, the appointment must be made by a majority vote of the total number of township legislative body members by a majority vote of the members, taken in joint session.

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(g) If a member of the governing body, whether of the interim governing body or regular governing body, is to be appointed, and the beginning of the appointive member's term of office coincides with the date an individual assumes the office of the official who is to make the appointment, the appointment shall be made by the latter individual. If the appointing official or body fails to appoint a member of the first governing body within five (5) days after a community school corporation comes into being, or, for members appointed after the first board is appointed, within five (5) days after a member is to take office, the member of the governing body shall be appointed:

(1) by the judge of the circuit court; or

(2) in the case of a united school corporation, by the judge of the circuit court of the county having the most students enrolled in the united school corporation.

Sec. 29. (a) This section applies to each school corporation.

(b) If a plan provides for the election of members of the governing body of the community school corporation at a primary election, at the time provided by IC 3-8-2 for the filing of notice of candidacies for the primary election following the creation of the community school corporation, nominations for members of the governing body of the community school corporation may be made by a petition signed by the candidates and ten (10) registered voters residing within the boundaries of the community school corporation.

(c) A petition must be filed with the circuit court clerk of the county that contains the greatest percentage of population of the school corporation. If the plan requires residence in a specified district or voting solely in a specified district for a governing body member office, the petition must clearly state the residence or electoral district from or for which the person is a candidate. If a school corporation is located in more than one (1) county, the circuit court clerk shall, after determining that a petition complies with subsection (b), promptly certify to each circuit court clerk of a county in which the school corporation is located, the names of the candidates to be placed on the ballot.

(d) If a plan provides for an election of members of the governing body at a general election, the filing of notice of candidates must be made in the manner provided for filing at primary elections under this section. The filing must be made within the same period before the general election as would have been required before the primary election had the election been

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held at the latter time.

(e) All nominations shall be listed for each office in the form prescribed by IC 3-10-1-19 or IC 3-11-2 but without party designation. Voting and tabulation of votes shall be conducted in the same manner as voting and tabulation in primary elections are conducted. The precinct election boards serving at each primary election in each county shall conduct the election for governing board members. If a school corporation is located in more than one (1) county, each county election board shall print the ballots required for voters in that county to vote for candidates for members of the board of school trustees of the school corporation.

(f) If the plan provides that the governing body shall be elected by all the voters of the community school corporation, candidates shall be placed on the ballot in the form prescribed by IC 3-10-1-19 or IC 3-11-2 without party designation. Candidates elected shall be those having the greatest number of votes.

(g) If the plan provides that members of the governing body are to be elected from residence districts by all voters in the community school corporation, nominees for the governing body shall be placed on the ballot in the form prescribed by IC 3-10-1-19 or IC 3-11-2 by residence districts without party designation. The ballot must state the:

(1) number of members to be voted upon; and

(2) maximum number that may be elected from each residence district as provided in the plan.

A ballot is not valid if a voter votes for more than the maximum number of members that are determined under subdivision (2). Candidates having the greatest number of votes are elected. However, if more than the maximum number that may be elected from a residence district are among those having the greatest number of votes, the lowest of those candidates from the residence districts in excess of the maximum number shall be eliminated in determining the candidates who are elected.

(h) If the plan provides that members of the governing body are to be elected from electoral districts solely by the voters of each district, nominees residing in each electoral district shall be placed on the ballot:

(1) in the form prescribed by IC 3-10-1-19 or IC 3-11-2; and

(2) without party designation.

The ballot must state the number to be voted on from the electoral district. Candidates residing in the electoral district having the greatest number of votes are elected.

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Sec. 30. (a) This section applies to each school corporation.

(b) If the governing body is to be elected at the primary election, each registered voter may vote in the governing body election without otherwise voting in the primary election.

(c) If a tie vote occurs among any of the candidates:

(1) the judge of the circuit court; or

(2) in case of a united school corporation, the judge of the circuit court of the county having the most students enrolled in the united school corporation;

shall select one (1) of the candidates, who shall be declared and certified elected.

(d) If after the first governing body takes office, there is a vacancy on the governing body for any reason, including the failure of the sufficient number of petitions for candidates being filed, whether the vacating member was elected or appointed, the remaining members of the governing body, whether or not a majority of the governing body, shall by a majority vote fill the vacancy by appointing a person from within the boundaries of the community school corporation to serve for the term or balance of the term. An individual appointed under this subsection must possess the qualifications provided for a regularly elected or appointed governing body member filling the office. If:

(1) a tie vote occurs among the remaining members of the governing body; or

(2) the governing body fails to act within thirty (30) days after any vacancy occurs;

the judge of the circuit court in the county where the majority of registered voters of the school corporation reside shall make the appointment.

(e) A vacancy in the governing body occurs if a member ceases to be a resident of any community school corporation. A vacancy does not occur when the member moves from a district of the school corporation from which the member was elected or appointed if the member continues to be a resident of the school corporation.

(f) At the first primary or general election in which members of the governing body are elected:

(1) a simple majority of the candidates elected as members of the governing body who receive the highest number of votes shall be elected for four (4) year terms; and

(2) the balance of the candidates elected as members of the governing body receiving the next highest number of votes

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shall be elected for two (2) year terms.

Thereafter, all school board members shall be elected for four (4) year terms.

(g) Governing body members elected:

(1) in November take office and assume their duties on January 1 or July 1 after their election, as determined by the board of school trustees before the election; and

(2) in May take office and assume their duties on July 1 after their election.

Sec. 31. (a) This section applies to each school corporation.

(b) If the plan provides for the election of members of the governing body of the community school corporation:

(1) the judge of the circuit court; or

(2) in the case of a united school corporation, the judge of the circuit court of the county having the most students enrolled in the united school corporation;

shall appoint interim governing body members in accordance with the plan approved by the county committee and the state board.

(c) The members of the governing body appointed serve until their successors are elected and qualified.

(d) Instead of appointment, the plan may provide for an alternative method of appointing the members of the interim governing body of a community or united school corporation. The appointment under this subsection must be made by one (1) or more of the class of officials listed in section 28(e) of this chapter.

Sec. 32. (a) This section applies to each school corporation.

(b) The governing body does not assume its powers and duties until the date the community school corporation becomes effective. For thirty (30) days before the date on which the governing body of a community school corporation assumes office, an existing school corporation having territory that will be included within the boundaries of a community school corporation may not contract or place the school corporation under any further obligations, except upon written approval of the county committee.

(c) The transfer of:

(1) powers;

(2) duties;

(3) property rights;

(4) other assets;

(5) liabilities;

(6) contracts both as to rights and obligations; and

(7) all else connected with the transfer of authority from

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existing school corporations to the community school corporation;

takes place at the time of the formation and creation of the community school corporation and are vested in the community school corporation.

Sec. 33. (a) This section applies to each school corporation.

(b) The governing body shall:

(1) divide the community school corporation into the proper attendance units;

(2) adopt rules with respect to the units; and

(3) provide adequate and practical transportation if a reorganization plan provides for the transportation of students from one (1) part of a community school corporation to a central point.

Sec. 34. (a) This section applies to a community school corporation located in a county containing a consolidated city.

(b) The same method used to cast votes for all other offices for which candidates have qualified to be on the election ballot must be used for the school board offices on the election ballot.

Sec. 35. (a) The governing body of a school corporation may be organized under this section.

(b) The governing body consists of seven (7) members, elected as follows:

(1) Four (4) members elected from districts, with one (1) member serving from each electoral district. A member elected under this subdivision must be:

(A) a resident of the electoral district from which the member is elected; and

(B) voted upon by only the registered voters residing within the electoral district and voting at a governing body election.

(2) Three (3) members, who are voted upon by all the registered voters residing within the school corporation and voting at a governing body election, elected under this subdivision. The governing body shall establish three (3) residential districts as follows:

(A) One (1) residential district must be the township that has the greatest population within the school corporation.

(B) Two (2) residential districts must divide the remaining area within the school corporation.

Only one (1) member who resides within a particular residential district established under this subdivision may

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serve on the governing body at a time.

(c) A member of the governing body who is:

(1) elected from an electoral or a residential district; or

(2) appointed to fill a vacancy from an electoral or a residential district;

must reside within the boundaries of the district the member represents.

(d) A vacancy on the governing body shall be filled by the governing body as soon as practicable after the vacancy occurs. A member chosen by the governing body to fill a vacancy holds office for the remainder of the unexpired term.

(e) The members of the governing body serving at the time a plan is amended under this section shall establish the electoral and residential districts described in subsection (b).

(f) The electoral districts described in subsection (b)(1):

(1) shall be drawn on the basis of precinct lines;

(2) may not cross precinct lines; and

(3) as nearly as practicable, be of equal population, with the population of the largest exceeding the population of the smallest by not more than fifteen percent (15%).

(g) The residential districts described in subsection (b)(2) may:

(1) be drawn in any manner considered appropriate by the governing body; and

(2) be drawn along township lines.

(h) The governing body shall certify the districts established under subsections (f) and (g) to:

(1) the state board; and

(2) the county election board of the county in which the school corporation is located.

(i) The governing body shall designate:

(1) three (3) of the districts established under this section to be elected at the first school board election that occurs after the effective date of the plan; and

(2) the remaining four (4) districts to be elected at the second school board election that occurs after the effective date of the plan.

Sec. 36. (a) This section applies to a school corporation located in a county containing a consolidated city.

(b) The same method used to cast votes for all other offices for which candidates have qualified to be on the election ballot must be used for the governing body offices on the election ballot.

Sec. 37. (a) A consolidation or reorganization of a school

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corporation does not become effective until the consolidation or reorganization is approved by the state board.

(b) Except to the extent set forth in subsection (a), this chapter shall be construed as being supplemental to all laws appertaining to public schools in Indiana.

Sec. 38. (a) Whenever an entire county has been reorganized under this chapter or IC 20-23-16-1 through IC 20-23-16-11, by the creation of a community school corporation or corporations for the entire county, the county committee shall be dissolved. Where the term of any member of a county committee expires before the time of dissolution of the county committee, the judge shall fill a vacancy by replacement or reappointment for a term of four (4) years in accordance with sections 11 through 15 of this chapter and IC 20-23-16-2. In the event the membership of an entire county committee shall at any time be vacant by resignation or otherwise, the judge shall appoint a new county committee in accordance with sections 11 through 15 of this chapter or IC 20-23-16-2.

(b) After a county committee has been dissolved, if the local governing body or the state superintendent considers further reorganization necessary to improve educational opportunities for the students in the county, the local school trustees or the state superintendent shall submit proposed changes to the state board. If the changes proposed by the local governing body or the state superintendent are approved by the state board, the proposal becomes effective under the procedure specified in sections 20 through 24 of this chapter so far as the same are applicable.

Sec. 39. A county committee formed under this chapter and the state board may accept donations of money or other articles of value to assist in financing the studies authorized by this chapter.

Sec. 40. (a) To defray the expenses of the county study, a county committee may prepare and submit a budgetary request to the county council on or before August 1 of each year during the life of the committee. The county council may, upon receipt of a request, establish a uniform ad valorem tax levy on all real and personal property within the county, in an amount sufficient to raise an amount of money not to exceed the amount of the budget request.

(b) The county committee may request from the county council sufficient sums of money necessary to defray legal expenses incident to placing the county plan in operation.

Sec. 41. The state board of accounts shall prescribe accounting forms to be used by the county committees and shall audit the financial records of each county committee at least once every

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three (3) years.

Sec. 42. (a) The state board shall enforce the rules compiled under IC 20-19-2-8 that establish procedures and standards for the construction of, addition to, or remodeling of school facilities. The commission shall apply these rules equally to facilities to be used or leased by both community school corporations and school corporations that are not community school corporations.

(b) A school building or an addition to a school building may not be constructed and a lease of a school building for a term of more than one (1) year may not be entered into by a school corporation other than a community school corporation or by two (2) or more school corporations jointly without the approval of the state board. For purposes of this subsection, "community school corporation" does not include a community school corporation governed by an interim board of school trustees.

(c) An action to question any approval referred to in this section or to enjoin school construction or the performance of any of the terms and conditions of a lease or the execution, sale, or delivery of bonds, on the ground that any approval should not have been granted, may not be instituted at any time later than fifteen (15) days after approval has been granted.

Sec. 43. A plan approved by:

(1) a county committee or committees; and

(2) the state board before May 1, 1984;

may provide for or be amended to provide for delaying the commencement of the terms of some members of the governing body for one (1) year and for extending the terms of their predecessors for one (1) year where this is necessary to prevent a majority of the board from taking office at any one time.

Sec. 44. (a) This section applies only to a school corporation with territory in a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000).

(b) This section applies if there is a:

(1) tie vote in an election for a member of the governing body of a school corporation; or

(2) vacancy on the governing body of a school corporation.

(c) Notwithstanding any other law, if a tie vote occurs among any of the candidates for the governing body or a vacancy occurs on the governing body, the remaining members of the governing body, even if the remaining members do not constitute a majority of the governing body, shall by a majority vote of the remaining

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members:

(1) select one (1) of the candidates who shall be declared and certified elected; or

(2) fill the vacancy by appointing an individual to fill the vacancy.

(d) An individual appointed to fill a vacancy under subsection (c)(2):

(1) must satisfy all the qualifications required of a member of the governing body; and

(2) shall fill the remainder of the unexpired term of the vacating member.

(e) If a tie vote occurs among the remaining members of the governing body or the governing body fails to act within thirty (30) days after the election or the vacancy occurs, the fiscal body (as defined in IC 3-5-2-25) of the township in which the greatest percentage of population of the school district resides shall break the tie or make the appointment. A member of the fiscal body who was a candidate and is involved in a tie vote may not cast a vote under this subsection.

(f) If the fiscal body of a township is required to act under this section and a vote in the fiscal body results in a tie, the deciding vote to break the tie vote shall be cast by the executive.

Sec. 45. A community school corporation created or organized under this chapter may change its name at any time by adoption of a resolution by majority vote of the governing body.

Chapter 5. Community School Corporations: Territory Annexations

Sec. 1. As used in this chapter,"acquiring school corporation" means the school corporation that acquires territory as a result of annexation.

Sec. 2. As used in this chapter, "annex", "annexing", "annexation", and "school annexation" mean any action whereby the boundaries of a school corporation are changed so that additional territory, constituting all or a part of any one (1) or more other school corporations, is transferred to the school corporation.

Sec. 3. As used in this chapter, "annexed territory" means the territory acquired by an acquiring school corporation as a result of annexation from a losing school corporation.

Sec. 4. As used in this chapter, "losing school corporation" means a school corporation that loses territory to an acquiring school corporation by annexation.

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Sec. 5. As used in this chapter, "resolution" of a school corporation means a resolution adopted by the school corporation's governing body.

Sec. 6. As used in this chapter, "school corporation" means:

(1) a school corporation created under IC 20-23-4; and

(2) any other school corporation established under any other statute of the state of Indiana, which has common boundaries with any school corporation or corporations formed under IC 20-23-4.

The term does not include any public school corporation located in whole or any part in a county containing a consolidated city.

Sec. 7. Subject to the limitations and procedures in this chapter, a school corporation may annex territory from any other school corporation by resolutions of the acquiring and losing school corporations under section 8 of this chapter.

Sec. 8. An annexation may be effected by any school corporation as follows:

(1) The acquiring and the losing school corporations shall each adopt a substantially identical annexation resolution. The resolution must contain the following items:

(A) The name of the acquiring school corporation, which may differ from the name of the acquiring corporation at the time of the adoption of the resolution, after the effective date.

(B) A description of the annexed territory. The description shall as near as reasonably possible:

(i) be by streets and other boundaries known by common names; and

(ii) does not have to be by legal description unless the additional description is necessary to identify the annexed territory.

A notice is not defective if there is a good faith compliance with this section and if the area designated may be ascertained with reasonable certainty by persons skilled in the area of real estate description.

(C) The time the annexation takes place.

(D) Any terms and conditions facilitating education of students in the:

(i) annexed territory;

(ii) losing school corporation; or

(iii) acquiring school corporation.

The terms may provide for the continued attendance by

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students in the annexed territory at schools in the losing school corporation for specified periods after annexation on a transfer basis. If students will continue attendance in schools in the losing school corporation, transfer tuition for the students shall be paid by the acquiring school corporation to the losing school corporation:

(i) using the method; and

(ii) at the rates;

provided by the Indiana statutes governing the computation and payment of transfer tuition costs.

(E) Disposition of assets and liabilities of the losing school corporation to the acquiring school corporation.

(F) Allocation between the acquiring and losing school corporations of subsequently collected school taxes levied on property in the annexed territory.

(G) The amount, if any, to be paid by the acquiring school corporation to the losing school corporation on account of property received from the losing school corporation.

(H) Dispositions, allocations, and amounts transferred under this subsection must be equitable.

(2) After the adoption of the resolution, notice shall be given by publication in both the acquiring school corporation and the losing school corporation setting out:

(A) the text of the resolution; and

(B) a statement that the resolution has been adopted and that a right of remonstrance exists as provided in this chapter.

(3) It is not necessary to set out the remonstrance provisions of this chapter. A general reference to a right of remonstrance with a reference to this chapter is sufficient.

(4) The annexation takes effect:

(A) within thirty (30) days after publication; or

(B) at the time provided in the resolution;

whichever is later, unless within the period during which a remonstrance may be filed a remonstrance is filed in the circuit or superior court of the county where the annexed territory or any part of the annexed territory is located, by registered voters residing in the losing school corporation at least equal in number to the greater of ten percent (10%) of the number of registered voters residing in the losing school corporation or fifty-one percent (51%) of the number of registered voters residing in the annexed territory.

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Sec. 9. (a) The notice by publication required by section 8 of this chapter shall be made:

(1) two (2) times;

(2) a week apart; and

(3) in two (2) daily newspapers of general circulation, published in the English language and of general circulation in the acquiring school corporation and in the losing school corporation.

(b) If there is only one (1) or no daily newspaper in either school corporation, a weekly newspaper may be used.

(c) If there is only one (1) daily or weekly newspaper, publication in the newspaper is sufficient.

(d) If a newspaper is of general circulation in both the acquiring school corporation and the losing school corporation, publication in the newspaper qualifies as one (1) of the required publications in the acquiring school corporation and the losing school corporation.

(e) Publication may be made jointly by the losing school corporation and acquiring school corporation.

(f) The remonstrance period runs from the second publication.

Sec. 10. (a) A remonstrance under section 8 of this chapter must be in the following or a substantially similar form:

"The undersigned hereby remonstrate against the annexation of the following described territory situated in _____ County, Indiana, whereby it would be transferred from _____ (the losing corporation) to _____ (the acquiring corporation):

(Description of the annexed territory sufficient to identify it.)". The remonstrance may be filed in any number of counterparts. Each counterpart shall have attached to it the affidavit of the person circulating it that each signature appearing on the remonstrance was affixed in the presence of the person circulating the petition and is the true and lawful signature of the person who made the signature. The person who makes the affidavit does not have to be one (1) of the persons who signs the counterpart to which the affidavit is attached. The remonstrance must be accompanied by a complaint filed by one (1) or more of the remonstrators (who shall be treated as a representative of the entire class of remonstrators) and signed by the remonstrator or the remonstrator's attorney, stating the reasons for the remonstrance. The reasons for the remonstrance are limited to the following:

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(1) There is a procedural defect in the manner in which the annexation is carried out that is jurisdictional.

(2) The annexed territory does not form a compact area abutting the acquiring corporation.

(3) The benefits to be derived from the annexation are outweighed by the detriments, taking into consideration the respective benefits and detriments to the schools and of the students residing in the acquiring school corporation, the losing school corporation, and the annexed territory.

(4) The:

(A) disposition of assets and liabilities of the losing school corporation;

(B) allocation of school tax receipts between the acquiring school corporation and the losing school corporation; and

(C) amount to be paid by the acquiring school corporation as set out in the annexation resolution;

are inequitable. Except with respect to subdivision (1), the allegations may be made in the statutory language.

(b) The plaintiff in a remonstrance under section 8 of this chapter must be the person whose name appears on the complaint. The defendants in a remonstrance under section 8 of this chapter shall be both the acquiring school corporation and the losing school corporation. Service of process shall be made on the defendants as in other civil actions.

(c) To determine if a petition was timely filed, the time of filing is the time of filing with the clerk without regard to the time of issuance of the summons. If the thirtieth day falls on Sunday, a holiday, or any other day when the clerk's office is not open, the time shall be extended to the next day when the office is open.

(d) The issues in a remonstrance under section 8 of this chapter are made up by the complaint. The allegations in the complaint shall be treated as denied by each defendant. A responsive pleading may not be filed except that any defendant may, if appropriate, file a motion to dismiss the remonstrance on the ground that:

(1) the requisite number of qualified remonstrators have not signed the petition;

(2) the remonstrance was not timely filed; or

(3) the complaint does not state a cause of action.

A responsive pleading to this motion may not be filed. With respect to a motion under subdivisions (1) and (2), the allegations of the pleading shall be treated as denied by the remonstrators. To determine whether there are the requisite number of qualified

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remonstrators, a person may not withdraw the person's name after a remonstrance has been filed or add the person's name to the remonstrance. Any person may, however, at the trial of the cause and in support or derogation of the substantive matters in the complaint, introduce into evidence a verified statement that the person wishes the person's name added to or withdrawn from the remonstrance. The court may either hear all or a part of the matters raised by the motion to dismiss separately or may consolidate for trial all or a part of the matters with the matters relating to the substance of the case. A complaint may not be dismissed for failure to state a cause of action if a fair reading of the complaint supports one (1) of the grounds for remonstrance provided in subsection (a). The court may permit an amendment of the complaint if the amendment does not state a new ground of remonstrance.

(e) The trial of a remonstrance shall be conducted as other civil cases by the court without the intervention of a jury on the issues raised by the complaint or a motion to dismiss, or both. A change of venue from a judge may be permitted. A change of venue from the county may not be permitted. The court shall expedite the hearing of the case. The court's judgment, except with respect to any matter raised under subsection (a)(4), shall be either that:

(1) the annexation shall take place;

(2) the annexation shall not take place; or

(3) the remonstrance shall be dismissed.

If the court finds that the remonstrators have proved any of the reasons for the remonstrance described in subsection (a)(1) through (a)(4), the court's judgment shall be that the annexation may not take place. Unless the remonstrators have proved at least one (1) of the reasons for a remonstrance described in subsection (a)(1) through (a)(4), the court's judgment shall be that the annexation shall take place. With respect to any matter raised under subsection (a)(4), the court's judgment may be either that the disposition, allocation, and amount set out in the annexing resolution is equitable or that it is inequitable. In the latter event, the court in the court's judgment shall provide for an equitable disposition, allocation, and amount. Costs shall follow judgment. Appeals may be taken from any judgment of the court in the same manner as appeals are taken in other civil cases.

Sec. 11. (a) Within sixty (60) days after the annexation takes place, the governing body of the acquiring school corporation and losing school corporation shall adopt a plan determining the

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manner in which the governing body shall be constituted. The plan shall be adopted in accordance with the requirements and procedures of IC 20-23-8, except as set out in subsection (b).

(b) The adoption of a plan by the governing body in accordance with IC 20-23-8-10 and its submission to the state board under IC 20-23-8-15 are the only procedures required when an existing plan is changed as follows:

(1) All governing body members are elected at large, and there are no governing body member residency districts.

(2) Governing body members are elected from governing body member residency districts, and the annexed territory is added to or deleted from one (1) or more districts.

(3) A governing body member is appointed from a given area or district, and the annexed territory is added to or deleted from one (1) or more districts or areas.

(4) A governing body member is elected solely by the voters in a school governing body member district, but the addition or deletion of the annexed territory to or from an existing district does not constitute a denial of equal protection of the laws.

If a school corporation elects or appoints members of its governing body both from a school governing body member district encompassing the entire school corporation and from smaller districts, the governing body of the acquiring school corporation shall add the annexed territory both to the district consisting of the entire school corporation and to one (1) or more smaller districts. In a comparable situation, the losing school corporation shall delete the annexed territory both from the district consisting of the entire school corporation and from any smaller district or districts. The change in the plan becomes effective upon its approval by the state board. The application of this subsection does not limit the initiation of, or further changes in, any plan under IC 20-23-8.

Sec. 12. (a) With respect to whether the disposition of the assets and liabilities of the losing school corporation, allocation of school tax receipts, and the amount to be paid by the acquiring school corporation is equitable, the court, subject to subsection (b), shall be satisfied that the annexing resolution conforms substantially to the following standards:

(1) The acquiring school corporation shall assume a part of all installments of principal and interest on any indebtedness of the losing school corporation (other than current obligations or temporary borrowing) that fall due after the end of the last

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calendar year in which the losing school corporation is entitled to receive current tax receipts from property tax levies on the property of the annexed territory. The part consists of the following:

(A) All installments relating to any indebtedness incurred in connection with the acquisition or construction of any building located in the annexed territory.

(B) A proportion of all installments relating to any other indebtedness that is the same proportion as the valuation of the real property in the annexed territory bears to the valuation of all the real property in the losing school corporation, as the indebtedness is assessed for general taxation immediately before annexation.

(2) The acquiring school corporation shall make the payments and assume the obligations provided for a school corporation acquiring territory or a building or buildings under IC 21-5-10.

(3) Unless the losing school corporation consents to some other allocation, the part of the general fund money collected by the losing school corporation may not be allocated to the acquiring school corporation in a greater amount than would be awarded if the losing school corporation and the acquiring school corporation were respectively the "original school corporation" and the "annexing school corporation" within the meaning of IC 20-23-16, using the method provided in IC 20-23-16 for allocating the special school and tuition fund money.

(b) Standards under subsection (a) may not be applicable to the extent the losing school corporation and acquiring school corporation otherwise agree in a situation where all or a majority of the students in the annexed territory have been transferred from the losing school corporation to the acquiring school corporation for the five (5) school years immediately preceding the transfer. The agreement between school corporations may not prejudice the rights of bondholders or lessors whose rights against the losing school corporation and acquiring school corporation shall, upon enforcement, be allocated between the losing school corporation and acquiring school corporation in accordance with subsection (a)(1) and (a)(2).

Sec. 13. (a) If a remonstrance is filed on grounds other than the grounds in section 10(a)(4) of this chapter, annexation does not become effective until final judgment in the remonstrance suit.

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Judgment may not be considered to be final until:

(1) the time for taking an appeal has expired; or

(2) final judgment in the appeal is entered.

A judgment of the trial court dismissing a remonstrance is a final judgment. If judgment is against the annexation, a further annexation of the annexed territory may not take place for two (2) years after the date the remonstrance was filed. A final judgment may not prevent either the acquiring school corporation or acquiring school corporation and losing school corporation from rescinding the annexation resolution. If the suit is dismissed without prejudice, the two (2) year prohibition does not apply unless a subsequent annexation resolution is adopted primarily for the purpose of harassment and not for some other purpose, including the correction of procedural irregularities or a substantial change in the annexed territory or the annexation resolution.

(b) If the remonstrance relates solely to any matter raised under section 10(a)(4) of this chapter, the annexation takes effect at the time provided under section 8 of this chapter.

Sec. 14. (a) Laws or parts of laws in conflict with this chapter are repealed. This chapter may not be construed to repeal any part of IC 20-23-4 or any statute concerning the consolidation of two (2) or more school corporations, to which this chapter is supplementary, except to the extent that IC 20-23-4 conflicts with this section.

(b) An annexation that is undertaken under or that results by operation of any section of this chapter may require, for its effectiveness, any approval of any county committee or state commission or committee created under, or referred to in, IC 20-23-4.

Chapter 6. Consolidation of School Corporations

Sec. 1. As used in this chapter, "trustees" means the:

(1) township trustee and township board; or

(2) governing body;

of each school corporation joining in the resolution provided for in this chapter.

Sec. 2. The governing body of two (2) or more school corporations, whether:

(1) towns;

(2) cities;

(3) townships;

(4) joint schools; or

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(5) consolidated schools;

situated in the same or adjoining counties may consolidate their respective school corporations in the manner and upon the conditions prescribed in this chapter.

Sec. 3. (a) If the governing bodies of at least two (2) school corporations desire to consolidate school corporations, the governing bodies may meet together and adopt a joint resolution declaring intention to consolidate school corporations. The resolution must set out the following information concerning the proposed consolidation:

(1) The name of the proposed new school corporation.

(2) The number of members on the governing body and the manner in which they shall be elected or appointed.

(A) If members are to be elected, the resolution must provide for:

(i) the manner of the nomination of members;

(ii) who shall constitute the board of election commissioners;

(iii) who shall appoint inspectors, judges, clerks, and sheriffs; and

(iv) any other provisions desirable in facilitating the election.

(B) Where applicable and not in conflict with the resolution, the election is governed by the general election laws of Indiana, including the registration laws.

(3) Limitations on residences, term of office, and other qualifications required of the members of the governing body. A resolution may not provide for an appointive or elective term of more than four (4) years. A member may succeed himself or herself in office.

(4) Names of present school corporations that are to be merged together as a consolidated school corporation.

In addition, the resolution may specify the time when the consolidated school corporation comes into existence.

(b) The number of members on the governing body as provided in the resolution may not be less than three (3) or more than seven (7). However, the joint resolution may provide for a board of nine (9) members if the proposed consolidated school corporation is formed out of two (2) or more school corporations that:

(1) have entered into an interlocal agreement to construct and operate a joint high school; or

(2) are operating a joint high school that has an enrollment of

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at least six hundred (600) in grades 9 through 12 at the time the joint resolution is adopted.

(c) The members of the governing body shall, after adopting a joint resolution, give notice by publication once each week for two (2) consecutive weeks in a newspaper of general circulation, if any, in each of the school corporations. If a newspaper is not published in the school corporation, publication shall be made in the nearest newspaper published in the county in which the school corporation is located. The governing bodies of school corporations shall meet one (1) week following the date of the appearance of the last publication of notice of intention to consolidate. If a protest has not been filed, as provided in this chapter, the governing bodies shall declare by joint resolution the consolidation of the school corporations to be accomplished, to take effect as provided in section 8 of this chapter. However, on or before the sixth day following the last publication of the notice of intention to consolidate, twenty percent (20%) of the legal voters residing in any school corporation may petition the governing body of the school corporations for an election to determine whether or not the majority of the voters of the school corporation is in favor of consolidation.

Sec. 4. (a) If the joint resolution under section 3 of this chapter provides that the consolidated schools shall be under the direction of the county superintendent of schools, the resolution may be amended by following the procedure in this section to provide that the consolidated schools are under the direction of a superintendent selected by the governing body of the new consolidated school corporation. The change shall be effected by a resolution adopted by a majority of the members of the governing body at a meeting held within the limits of the consolidated school corporation. All the members of the governing body shall receive or waive written notice of the:

(1) date;
(2) time;
(3) place; and
(4) purpose;

of the meeting. The resolution and proof of service or waiver of the notice shall be made a part of the records of the governing body. An amendment takes effect after the adoption of a resolution at the time a superintendent is selected by the governing body and commences the superintendent's duties. The superintendent shall serve under a contract in the same manner and under the same

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rules governing the employment and service of other licensed personnel. The superintendent's original contract and succeeding contracts may be for a period of from one (1) to five (5) years.

(b) The joint resolution of a consolidated school corporation may not be amended under this section unless the corporation is entitled at the time the governing body adopts an amending resolution under:

(1) the rules established by the state board or its successor; or

(2) any appropriation or other statute;

to an additional unit or administrative unit of state support if the governing body employs a licensed superintendent devoting full time to administration or supervision of schools of the corporation.

(c) In all instances of reorganization under this chapter after March 11, 1965, the consolidated school corporation shall be under the direction of a superintendent selected by its governing body.

Sec. 5. (a) If a petition is filed in one (1) or more of the school corporations protesting consolidation as provided in this chapter by the legal voters of any school corporation the governing body of which proposes to consolidate, the governing body in each school corporation in which a protest petition is filed shall certify the public question to each county election board of the county in which the school corporation is located. The county election board shall call an election of the voters of the school corporation to determine if a majority of the legal voters of the corporation is in favor of consolidating the school corporations.

(b) If a protest is filed in more than one (1) school corporation, the elections shall be held on the same day. Each county election board shall give notice by publication once each week for two (2) consecutive weeks in a newspaper of general circulation in the school corporation. If a newspaper is not published in the:

(1) township;

(2) town; or

(3) city;

the notice shall be published in the nearest newspaper published in the county or counties, that on a day and at an hour to be named in the notice, the polls will be open at the usual voting places in the various precincts in the corporation for taking the vote of the legal voters upon whether the school corporation shall be consolidated with the other school corporations joining in the resolution.

(c) The public question shall be placed on the ballot in the form provided by IC 3-10-9-4 and must state: "Shall (insert name of school corporation) be consolidated with (insert names of other

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school corporations)?".

(d) Notice shall be given not later than thirty (30) days after the petition is filed. The election shall be held not less than ten (10) days or more than twenty (20) days after the last publication of the notice.

(e) The governing body of each school corporation in which an election is held is bound by the majority vote of those voting. However, if the election falls within a period of not more than six (6) months before a primary or general election, the election shall be held concurrently with the primary or general election.

(f) If a majority of those voting in any one (1) school corporation votes against the plan of consolidation, the plan fails. However, the failure does not prevent any or all the school corporations from taking further initial action for the consolidation of school corporations under this chapter.

(g) Whenever:

(1) twenty percent (20%) of the legal voters residing in any school corporation join with twenty percent (20%) of the legal voters in each of one (1) or more other school corporations;

(2) prepare a resolution; and

(3) petition the trustees of their respective school corporations;

to consolidate the school corporations, as set out in the resolution, the governing body petitioned shall call the school election provided for in this chapter in each of the school corporations.

(h) Notice of the election shall be published within thirty (30) days after the filing of the resolution with the governing body of the school corporation where it is last filed. However, if any of the petitioned governing bodies agrees to the consolidation as set out in the resolution, an election in that school corporation may not be required under the resolution.

(i) Notice as set out in this section shall be given, and a protest requesting an election may be filed in conformity with section 3 of this chapter.

Sec. 6. (a) On the day and hour named in the notice filed under section 5 of this chapter, polls shall be opened and the votes of the registered voters shall be taken upon the public question of consolidating school corporations. The election shall be governed by IC 3, except as provided in this chapter.

(b) The county election board shall conduct the election. The public question shall be placed on the ballot in the form prescribed by IC 3-10-9-4 and must state "Shall (here insert the names of the

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school corporations that the resolution proposes to consolidate) be consolidated into a consolidated school corporation?".

(c) A brief statement of the provisions in the resolution for appointment or election of a governing body may be placed on the ballot in the form prescribed by IC 3-10-9-4. A certificate of the votes cast for and against the consolidation of the school corporations shall be filed with:

(1) the governing body of the school corporations subject to the election;

(2) the state superintendent; and

(3) the county recorder of each county in which a consolidated school corporation is located;

together with a copy of the resolution.

(d) If a majority of the votes cast at each of the elections is in favor of the consolidation of two (2) or more school corporations, the trustees of the school corporations shall proceed to consolidate the schools and provide the necessary buildings and equipment. In any school corporation where a petition was not filed and an election was not held, the failure on the part of the voters to file a petition for an election shall be considered to give the consent of the voters of the school corporation to the consolidation as set out in the resolution.

(e) If the special election is not conducted at a primary or general election, the expense of the election shall be borne by the school corporation or each of the school corporations subject to the election and shall be paid out of the special school fund.

Sec. 7. (a) Each school of the consolidated schools is under the control and management of the original governing body until the consolidated school corporation comes into existence at the time provided in section 8 of this chapter. When the consolidated school corporation comes into existence, the term of office of each of the original members of the governing body expires.

(b) The term of any township trustee does not expire. However, the duties and powers of the trustee as a school township trustee may be altered or changed by any resolution and the consolidation provided for in this chapter.

Sec. 8. (a) Consolidated schools are under the control and management of the consolidated governing body created under this chapter, and a new consolidated school corporation comes into existence:

(1) at the time specified in the resolutions provided in section 3 or 4 of this chapter; or

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(2) if a time is not specified, at the following times:

(A) If a protest has not been filed and the creation is accomplished by the adoption of a joint resolution following publication of notice as provided in section 3 of this chapter, thirty (30) days following the adoption of the joint resolution.

(B) If the creation is accomplished after an election as provided in section 6 of this chapter, thirty (30) days following the election.

(b) The members of the governing body shall:

(1) take an oath to faithfully discharge the duties of office; and

(2) meet at least five (5) days before the time the new consolidated school corporation comes into existence to organize.

(c) The governing body shall meet to reorganize on August 1 of each year and at any time the personnel of the board is changed. At the organization or reorganization meeting, the members of the governing body shall elect the following:

(1) A president.

(2) A secretary.

(3) A treasurer.

(d) The treasurer, before starting the duties of the treasurer's office, shall execute a bond to the acceptance of the county auditor. The fee for the bond shall be paid from the special school fund of the consolidated school corporation. Any vacancy occurring in governing body membership in any governing body, other than vacancy in the office of an ex officio member, shall be filled in the following manner:

(1) If the membership was originally made by appointment, the vacancy shall be filled by appointment by the legislative body of the:

(A) city;

(B) town;

(C) township; or

(D) other body;

or other official making the original appointment.

(2) If the membership was elected, the vacancy shall be filled by a majority vote of the remaining members of the governing body of the consolidated school corporation.

(e) The members of the governing body, other than the township executive or ex officio member, shall receive compensation for services as fixed by resolution of the governing body. The

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members, other than the township executive or any ex officio member, may not receive more than two hundred dollars ($200) annually. Any:

(1) township executive; or

(2) ex officio member of the governing body;

shall serve without additional compensation.

(f) The governing body of a consolidated school corporation may elect and appoint personnel it considers necessary.

Sec. 9. (a) When any:

(1) school town;

(2) school city;

(3) school township;

(4) joint school; or

(5) consolidated school;

has become consolidated by resolution or election and the new governing body has been appointed and legally organized, the former school township, school town, school city, joint school, or consolidated school is considered abandoned.

(b) All school:

(1) property;

(2) rights;

(3) privileges; and

(4) any indebtedness;

from the abandoned school is considered to have accrued to and be assumed by the new consolidated school corporation.

(c) The title of property shall pass to and become vested in the new consolidated school corporation. All debts of the former school corporations shall be assumed and paid by the new consolidated school corporation. All the privileges and rights conferred by law upon the former:

(1) school township;

(2) school town;

(3) school city;

(4) joint school; or

(5) consolidated school;

are granted to the newly consolidated school corporation.

(d) This subsection applies when the consolidated governing body of a consolidated school corporation decides that property acquired under subsection (b) from a township is no longer needed for school purposes. The governing body shall offer the property as a gift for park and recreation purposes to the township that owned the property before the school was consolidated. If the

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township board accepts the offer, the governing body shall give the township a quitclaim deed to the property. The deed must state that the township is required to use the property for park and recreation purposes. If the township board refuses the offer, the governing body may sell the property in the manner provided in subsection (e).

(e) This subsection provides the procedure for the sale of school property that is no longer needed for school purposes by the governing body of a consolidated school corporation. The governing body shall cause the property to be appraised at a fair cash value by three (3) reputable resident freeholders of the school corporation offering the property for sale. The appraisals shall be made under oath and spread of record upon the records of the governing body. A sale may not be made for less than the appraised value, and the sale must be made for cash. The sale shall take place after the governing body gives notice under IC 5-3-1 of the terms, date, time, and place of sale.

(f) Proceeds from a sale under subsection (e) shall be placed in a special school fund of the consolidated school corporation designated as the capital outlay fund that shall be available for capital outlay of the school corporation.

Sec. 10. (a) The governing body of a consolidated school corporation formed under this chapter may join with other:

(1) townships;
(2) school towns;
(3) school cities;
(4) joint schools; or
(5) consolidated schools;

to decide whether a consolidation shall take place.

(b) The provisions concerning:

(1) resolutions;
(2) petitions; and
(3) elections;

set out in this chapter apply.

(c) The new resolution may change the name of the consolidated school corporation or the number of members of the newly consolidated governing body under this chapter.

Sec. 11. A governing body shall, after the members have taken their oath of office, cause a copy of the resolution to consolidate to be filed with the county recorder in the county in which the new school district is located. Any consolidated school district is declared to be and is made a school corporation for school

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purposes, separate and distinct from any civil corporation.

Sec. 12. (a) This section provides an alternative method for a school corporation to be reorganized as a community school corporation.

(b) The following may petition directly to the state board to be reorganized as a community school corporation:

(1) A consolidated school corporation organized under section 3 of this chapter.

(2) A county school corporation organized under IC 20-23-16-15.

(3) A metropolitan school district organized under IC 20-23-7-2 or IC 20-23-7-12.

(c) The following apply to a school corporation that petitions directly to the state board under subsection (b):

(1) The school corporation is not required to do the following:

(A) Seek approval of a county committee established by IC 20-23-4-11.

(B) Pursue a joint meeting of a county committee and the state board under IC 20-23-4-18.

(2) The state board may waive the attainment of any standard required for reorganization as a community school corporation under this chapter.

Sec. 13. If the term "majority" is used in connection with any law providing for the submission to an electorate of the question of the consolidation of two (2) or more school corporations, in all laws enacted before March 13, 1959, concerning school consolidation, and in particular IC 20-23-6 and IC 20-23-7, the term means the greater number of votes cast and counted either for or against the proposition of consolidation. Any additions to the certificate of the votes cast, other than the number of votes cast for and against the proposition of consolidation, shall be considered as surplusage and of no effect, and the intention of IC 20-23-6 and of IC 20-23-7 shall be so interpreted.

Sec. 14. All laws enacted pertaining to the consolidation of school corporations shall be liberally construed to effect the following purposes for which the laws were enacted:

(1) Better schools.

(2) Ease of administration.

(3) Economy of operation.

Sec. 15. An action to test or question the legality of a consolidated school corporation may only be brought in an action of quo warranto in the name of the state on information filed by

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the prosecuting attorney of the county in which the principal office of the consolidated school corporation is located where attempts are made or have been made to consolidate or join together school corporations under the provisions of IC 20-23-6 or IC 20-23-7, and an election on the question of consolidation has been held and the certificate certifying the vote is filed as provided by law or, an election is not held and the number of days allowed by statutes for filing a petition for an election has expired.

Sec. 16. It is the policy of the state that whenever a community school corporation (as defined in IC 20-23-4-3) seeks to:

(1) reorganize into a community school corporation under IC 20-23-4 or IC 20-23-16-1 through IC 20-23-16-11;

(2) enter into a territorial annexation under IC 20-23-5 either as an acquiring school corporation or a losing school corporation (as defined in IC 20-23-5-4);

(3) consolidate with another school corporation under IC 20-23-6; or

(4) consolidate with another school corporation into one (1) metropolitan school district under IC 20-23-7;

the school corporation shall give consideration to the educational opportunities for students, local community interest, the effect on the community as a whole, and the economic interests of the community relative to establishing the boundaries of the school corporation that is involved in the school corporation reorganization, consolidation, or annexation attempt.

Sec. 17. (a) If the territory of a third class city is in a part of the territory of a consolidated school corporation, the third class city may lease to the consolidated school corporation a building and the property the building is on that is owned by the city for school purposes for a period of at least five (5) consecutive years.

(b) The common council of the city shall authorize a lease under subsection (a) and the authorization may be made:

(1) without appraisement;

(2) without compensation; or

(3) upon terms agreed upon.

(c) The possession and use of a specified part of property that a city leases under this section may be reserved by the city for city use. A lease made under this section shall be in the form of a deed or other written instrument that may be recorded. The grant must state that if the property is no longer needed for school purposes, the property reverts back to the city. A consolidated school corporation acting through its board of school trustees may accept

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a lease:

(1) without appraisement;

(2) compensation; or

(3) upon agreed upon terms;

by its board of school trustees.

(d) This section, being necessary and intended to remedy deficiencies in laws existing on June 30, 1955, relating to powers of certain municipal corporations and of certain school corporations, does not repeal the provisions of those laws governing corporations but supplements and clarifies those laws, and to that end shall be liberally construed.

Chapter 7. Consolidation of County School Corporations and Metropolitan School Districts

Sec. 1. It is the purpose of this chapter to provide for the organization of public schools in Indiana to:

(1) promote the best interests of the students of Indiana;

(2) provide for the organization of additional forms of local school government;

(3) preserve and ensure an economical and efficient school system in accordance with the desires of the people in local communities; and

(4) improve the education of the students of Indiana as guaranteed by the laws and Constitution of the State of Indiana.

Sec. 2. (a) In any county or adjoining counties at least two (2) school corporations, including school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, or community school corporations, regardless of whether the consolidating school corporations are of the same or of a different character, may consolidate into one (1) metropolitan school district. Subject to subsection (h), the consolidation must be initiated by following either of the following procedures:

(1) The township trustee, board of school trustees, board of education, or other governing body (the trustee, board, or other governing body is referred to elsewhere in this section as the "governing body") of each school corporation to be consolidated shall:

(A) adopt substantially identical resolutions providing for the consolidation; and

(B) publish a notice setting out the text of the resolution one (1) time under IC 5-3-1.

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The resolution must set forth any provision for staggering the terms of the board members of the metropolitan school district elected under this chapter. If, not more than thirty (30) days after publication of the resolution, a petition of protest, signed by at least twenty percent (20%) of the registered voters residing in the school corporation is filed with the clerk of the circuit court of each county where the voters who are eligible to sign the petition reside, a referendum election shall be held as provided in subsection (c).

(2) Instead of the adoption of substantially identical resolutions in each of the proposed consolidating school corporations under subdivision (1), a referendum election under subsection (c) shall be held on the occurrence of all of the following:

(A) At least twenty percent (20%) of the registered voters residing in a particular school corporation sign a petition requesting that the school corporation consolidate with another school corporation (referred to in this subsection as "the responding school corporation").

(B) The petition described in clause (A) is filed with the clerk of the circuit court of each county where the voters who are eligible to sign the petition reside.

(C) Not more than thirty (30) days after the service of the petition by the clerk of the circuit court to the governing body of the responding school corporation under subsection (b) and the certification of signatures on the petition occurs under subsection (b), the governing body of the responding school corporation adopts a resolution approving the petition and providing for the consolidation.

(D) An approving resolution has the same effect as the substantially identical resolutions adopted by the governing bodies under subdivision (1), and the governing bodies shall publish the notice provided under subdivision (1) not more than fifteen (15) days after the approving resolution is adopted. However, if a governing body that is a party to the consolidation fails to publish notice within the required fifteen (15) day time period, a referendum election still must be held as provided in subsection (c).

If the governing body of the responding school corporation does not act on the petition within the thirty (30) day period described in clause (C), the governing body's inaction

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constitutes a disapproval of the petition request. If the governing body of the responding school corporation adopts a resolution disapproving the petition or fails to act within the thirty (30) day period, a referendum election as described in subsection (c) may not be held and the petition requesting the consolidation is defeated.

(b) Any petition of protest under subsection (a)(1) or a petition requesting consolidation under subsection (a)(2) must show in the petition the date on which each person has signed the petition and the person's residence on that date. The petition may be executed in several counterparts, the total of which constitutes the petition. Each counterpart must contain the names of voters residing within a single county and shall be filed with the clerk of the circuit court of the county. Each counterpart must have attached to it the affidavit of the person circulating the counterpart that each signature appearing on the counterpart was affixed in that person's presence and is the true and lawful signature of each person who made the signature. Any signer may file the petition or any counterpart of the petition. Each signer on the petition may before and may not after the filing with the clerk withdraw the signer's name from the petition. A name may not be added to the petition after the petition has been filed with the clerk. After the receipt of any counterpart of the petition, each circuit court clerk shall certify:

(1) the number of persons signing the counterpart;

(2) the number of persons who are registered voters residing within that part of the school corporation located within the clerk's county, as disclosed by the voter registration records in the office of the clerk or the board of registration of the county, or wherever registration records may be kept;

(3) the total number of registered voters residing within the boundaries of that part of the school corporation located within the county, as disclosed in the voter registration records; and

(4) the date of the filing of the petition.

Certification shall be made by each clerk of the circuit court not more than thirty (30) days after the filing of the petition, excluding from the calculation of the period any time during which the registration records are unavailable to the clerk, or within any additional time as is reasonably necessary to permit the clerk to make the certification. In certifying the number of registered voters, the clerk of the circuit court shall disregard any signature

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on the petition not made within the ninety (90) days immediately before the filing of the petition with the clerk as shown by the dates set out in the petition. The clerk of the circuit court shall establish a record of the certification in the clerk's office and shall serve the original petition and a copy of the certification on the county election board under IC 3-10-9-3 and the governing bodies of each affected school corporation. Service shall be made by mail or manual delivery to the governing bodies, to any officer of the governing bodies, or to the administrative office of the governing bodies, if any, and shall be made for all purposes of this section on the day of the mailing or the date of the manual delivery.

(c) The county election board in each county where the proposed metropolitan school district is located, acting jointly where the proposed metropolitan school district is created and where it is located in more than one (1) county, shall cause any referendum election required under either subsection (a)(1) or (a)(2) to be held in the entire proposed metropolitan district at a special election. The special election shall be not less than sixty (60) days and not more than ninety (90) days after the service of the petition of protest and certification by each clerk of the circuit court under subsection (a)(1) or (a)(2) or after the occurrence of the first action requiring a referendum under subsection (a)(2). However, if a primary or general election at which county officials are to be nominated or elected, or at which city or town officials are to be elected in those areas of the proposed metropolitan school district that are within the city or town, is to be held after the sixty (60) days and not more than six (6) months after the service or the occurrence of the first action, each election board may hold the referendum election with the primary or general election.

(d) Notice of the special election shall be given by each election board by publication under IC 5-3-1.

(e) Except where it conflicts with this section or cannot be practicably applied, IC 3 applies to the conduct of the referendum election. If the referendum election is not conducted at a primary or general election, the cost of conducting the election shall be charged to each component school corporation included in the proposed metropolitan school district in the same proportion as its assessed valuation bears to the total assessed valuation of the proposed metropolitan school district and shall be paid from any current operating fund of each component school corporation not otherwise appropriated, without appropriation.

(f) The question in the referendum election shall be placed on

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the ballot in the form prescribed by IC 3-10-9-4 and must state "Shall the school corporations of _____ be formed into one (1) metropolitan school district under IC 20-23-7?" (in which blanks the respective name of the school districts concerned will be inserted).

(g) If:

(1) a protest petition with the required signatures is not filed after the adoption of substantially identical resolutions of the governing bodies providing for or approving the consolidation as described in subsection (a)(1); or

(2) a referendum election occurs in the entire proposed metropolitan district and a majority of the voters in each proposed consolidating school corporation vote in the affirmative;

a metropolitan school district is created and comes into existence in the territory subject to the provisions and under the conditions described in this chapter. The boundaries include all of the territory within the school corporations, and it shall be known as "Metropolitan School District of _____, Indiana" (the name of the district concerned will be inserted in the blank). The name of the district shall be decided by a majority vote of the metropolitan governing board of the metropolitan school district at the first meeting. The metropolitan governing board of the new metropolitan school district shall be composed and elected under this chapter. The failure of any public official or body to perform any duty within the time provided in this chapter does not invalidate any proceedings taken by that official or body, but this provision shall not be construed to authorize a delay in the holding of a referendum election under this chapter.

(h) If the governing body of a school corporation is involved in a consolidation proposal under subsection (a)(1) or (a)(2) that fails to result in a consolidation, the:

(1) governing body of the school corporation may not initiate a subsequent consolidation with another school corporation under subsection (a)(1); and

(2) residents of the school corporation may not file a petition requesting a consolidation with another school corporation under subsection (a)(2);

for one (1) year after the date on which the prior consolidation proposal failed.

Sec. 3. (a) The metropolitan school district shall conduct the educational activities of all the schools in the district in compliance

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with:

(1) state law; and

(2) the laws of the state of Indiana with reference to public education.

(b) The control and administration of the schools of the metropolitan school district are vested in a governing body whose:

(1) composition;

(2) duties;

(3) manner of election; and

(4) powers;

are described in this chapter.

Sec. 4. (a) At the first meeting of the board of commissioners of the county after the creation of the metropolitan school district as provided in this chapter, the board of commissioners shall divide the district into three (3) governing body districts approximately equal in population. Not more than one (1) year after the effective date of each United States decennial census, the board of commissioners shall readjust the boundaries of the districts to equalize the districts by population.

(b) Instead of the division provided under subsection (a), any resolution or petition provided in section 2(a) or 2(b) of this chapter may:

(1) provide that the metropolitan school district to be created shall be divided into two (2) or more governing body districts;

(2) describe the governing body member districts;

(3) provide that one (1) or more members of the governing body must reside within each of the governing body member districts;

(4) set out the number of members to serve from each designated district;

(5) provide that the governing body member districts need not be equal in size or population, and that one (1) board member district may include all the area in the metropolitan school district;

(6) specify that the number of governing body members to be resident in each district need not be an equal number; and

(7) eliminate all requirements that there be governing body member districts.

(c) If the resolution or petition:

(1) does not provide for governing body member districts and designate the number of governing body members to be resident in each district; or

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(2) provides for the elimination of governing body member districts;

subsection (a) controls. If either subsection (a) or (b) applies, candidates shall be voted upon by all the registered voters of the metropolitan school district voting at any governing body member election.

Sec. 5. (a) The rights, powers, and duties of the metropolitan school district shall be vested in the governing body that must be composed of:

(1) three (3);

(2) five (5); or

(3) seven (7) members;

who have resided in the district for at least two (2) years before taking office. The resolution or petition provided by section 2(a) or 2(b) of this chapter may designate the number of members of the governing body. If a designation is not made concerning the number of members of a governing body, the governing body is composed of five (5) members.

(b) If section 4(a) of this chapter applies to a metropolitan school district, the following rules apply:

(1) If the governing body consists of three (3) members, one (1) member shall reside in each residence district.

(2) If the governing body consists of five (5) members, not more than two (2) shall reside in any one (1) residence district.

(3) If the governing body consists of seven (7) members, at least two (2) shall reside in any one (1) residence district.

(c) If a governing body member moves the member's residence within the metropolitan school district from one (1) governing body member district to another or when governing body member district boundaries are moved so that the member's place of residence changes from one (1) governing body member district to another, the member does not on this account become disqualified as a governing body member but may continue to hold office as a member of the governing body.

Sec. 6. (a) The first metropolitan board of education shall be composed of the:

(1) trustees; and

(2) members of school boards;

of the school corporations forming the metropolitan board of education.

(b) The members of the metropolitan board of education shall serve ex officio as members subject to the laws concerning length

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of terms, powers of election, or appointment and filling vacancies applicable to their respective offices.

(c) If a metropolitan school district is comprised of only two (2) board members, the two (2) members shall appoint a third board member not more than ten (10) days after the creation of the metropolitan school district. If the two (2) members are unable to agree on or do not make the appointment of a third board member within the ten (10) day period after the creation of the metropolitan school district, the third member shall be appointed not more than twenty (20) days after the creation of the metropolitan school district by the judge of the circuit court of the county in which the metropolitan school district is located. If the metropolitan school district is located in two (2) or more counties, the judge of the circuit court of the county containing that part of the metropolitan school district having more students than the part or parts located in another county or counties shall appoint the third member. The members of the metropolitan board of education serve until their successors are elected or appointed and qualified.

(d) The first meeting of the first metropolitan board of education shall be held not more than one (1) month after the creation of the metropolitan school district. The first meeting shall be called by the superintendent of schools, or township trustee of a school township, of the school corporation in the district having the largest number of students. At the first meeting, the board shall organize, and during the first ten (10) days of each July the board shall reorganize, by electing a president, a vice president, a secretary, and a treasurer.

(e) The secretary of the board shall keep an accurate record of the minutes of the metropolitan board of education and the minutes shall be kept in the superintendent's office. When a metropolitan school district is formed, the metropolitan superintendent shall act as administrator of the board and shall carry out the acts and duties as designated by the board. A quorum consists of a majority of the members of the board. A quorum is required for the transaction of business. The vote of a majority of those present is required for a:

(1) motion;

(2) ordinance; or

(3) resolution;

to pass.

(f) The board shall conduct its affairs in the manner described

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in this section. Except in unusual cases, the board shall hold its meetings at the office of the metropolitan superintendent or at a place mutually designated by the board and the superintendent. Board records are to be maintained and board business is to be conducted from the office of the metropolitan superintendent or a place designated by the board and the superintendent.

(g) The metropolitan board of education shall have the power to pay to a member of the board:

(1) a reasonable per diem for service on the board not to exceed one hundred twenty-five dollars ($125) per year; and

(2) for travel to and from a member's home to the place of the meeting within the district, a sum for mileage equal to the amount per mile paid to state officers and employees. The rate per mile shall change when the state government changes its rate per mile.

Sec. 7. (a) The transfer of:

(1) powers;

(2) duties;

(3) property;

(4) property rights;

(5) other assets;

(6) liabilities;

(7) contracts, both as to rights and obligations; and

(8) other issues connected with the transfer of authority from existing school corporations to the metropolitan school district;

shall take place at the time of the first meeting of the metropolitan board of education not more than one (1) month after the creation of the board.

(b) The transfer of the items listed in subsection (a) are vested in the metropolitan school district at the time of the first meeting of the metropolitan board of education.

Sec. 8. (a) Members of the metropolitan board of education are elected by the registered voters of the metropolitan school district at the primary elections held biennially in the state, commencing with the next primary election that is held more than sixty (60) days after the creation of the metropolitan school district as provided in this chapter. Nominations for a member of the board of education are made by a petition signed by the nominee and by ten (10) registered voters residing in the same board member district as the nominee. A petition must be filed not earlier than the date that a petition of nomination may first be filed under

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IC 3-8-6-10 and not later than noon on the last date provided by IC 3-8-2-4 for the filing of a declaration of candidacy for the primary election with the clerk of the circuit court in each county where the metropolitan school district is located.

(b) Nominees for school board members shall be listed on the primary election ballot in the form prescribed by IC 3-10-1-19 by board member districts without party designation. A ballot shall state the number of board members to be voted upon and the maximum number of board members who may be elected from each board member district in compliance with section 5 of this chapter. A ballot is not valid if more than the maximum number of board members are voted upon from a board member district. The election boards in the various precincts and in the county or counties serving at a primary election shall conduct the election for school board members. A registered voter may vote in a school board election without otherwise voting in the primary election.

(c) Voting and tabulation of votes shall be conducted in the same manner as voting and tabulation in primary elections are conducted, and the candidates having the greatest number of votes shall be elected. If more than the maximum number of candidates that may be elected from a board member district, as provided in section 5 of this chapter, are among those having the greatest number of votes, the lowest of those candidates from the board member district in excess of the maximum number must be eliminated in determining the candidates who are elected. If there is a tie vote for the candidates, the judge of the circuit court in the county where the majority of the registered voters of the metropolitan school district reside shall select one (1) of the candidates who shall be declared and certified elected.

(d) If after the first board member election a vacancy on the board occurs, including the failure of a sufficient number of petitions for candidates being filed, and whether the vacating member was elected or appointed, the remaining members of the metropolitan board of education shall by a majority vote fill the vacancy by appointing a person from the board member district that the person who vacated the board membership was elected, or if the person was appointed, the board member district from which the last elected predecessor of the person was elected. If there is a tie vote among the remaining members of the board or their failure to act not more than thirty (30) days after the vacancy occurs, the judge of the circuit court in the county where the majority of registered voters of the metropolitan school district reside shall

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make the appointment. A successor to the appointive board member shall be elected at the next primary election that is held more than sixty (60) days after an elected board member vacates membership on the board or at the primary election held immediately before the end of the term for which the vacating member was elected, whichever is sooner. Unless the successor takes office at the end of the term of the vacating member, the member shall serve only for the balance of the term. In an election of a successor board member to fill a vacancy for a two (2) year balance of a term, nominating petitions for school board membership candidacy need not be filed for or with reference to the vacancy. However, as required by IC 3-11-2-14.5, candidates for at-large seats must be distinguished on the ballot from candidates for district seats. If there is more than one (1) at-large seat on the ballot due to this vacancy, the elected candidate who receives the lowest number of votes at the election at which the successor is elected shall serve for a two (2) year term.

(e) At the first primary election in which members of the metropolitan board of education are elected under this section, a simple majority of the elected candidates, consisting of those elected candidates who receive the highest number of votes, are elected for four (4) year terms, and the balance of the elected candidates, consisting of those who received the lowest number of votes, are elected for two (2) year terms. A candidate for membership on the metropolitan board of education shall:

(1) be voted upon by the voters of the entire district;

(2) be elected for four (4) year terms after the first election; and

(3) take office and assume the duties of the office July 1 following their election.

Sec. 9. (a) This section applies to a metropolitan or consolidated school corporation located in a county containing a consolidated city.

(b) The same method used to cast votes for other offices for which candidates have qualified to be on the election ballot shall be used for the school board offices on the election ballot.

Sec. 10. (a) The metropolitan board of education shall appoint a metropolitan superintendent of schools who shall serve under contract in the same manner and under the same laws that govern the employment and service of other licensed school personnel. The metropolitan superintendent of schools' salary and expense allowance is fixed by the metropolitan board of education. The

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metropolitan superintendent of schools' original contract:

(1) must be for a period of one (1) to five (5) years; and

(2) may be changed or extended by mutual agreement.

(b) Appointments to fill a vacancy for a metropolitan superintendent of schools shall be made under this chapter.

(c) The board shall:

(1) act upon the recommendations of the metropolitan superintendent of schools; and

(2) make other decisions and perform other duties as required by law.

(d) A:

(1) county superintendent;

(2) city school superintendent; or

(3) town superintendent;

in a metropolitan school district shall continue in the superintendents' respective employment at the same salary, paid in the same manner and according to the same terms as agreed to before the formation of the metropolitan school district.

(e) A metropolitan board of education shall:

(1) assign administrative duties; and

(2) designate:

(A) one (1) of the superintendents in the metropolitan school district; or

(B) a competent and qualified person as determined by the board;

to perform the duties of the metropolitan superintendent of the metropolitan school district as set forth in this chapter.

(f) A metropolitan board of education shall appoint a superintendent of the metropolitan school district and other administrative supervisory officers as provided in this chapter if:

(1) the previous superintendent's term expired;

(2) the previous superintendent's contract of employment ended; or

(3) the previous superintendent:

(A) died; or

(B) resigned.

(g) The appointment and salary of the metropolitan superintendent of schools appointed under subsection (f) shall be made, set, and paid as provided in this chapter.

Sec. 11. If a metropolitan school district formed under this chapter includes territory in more than one (1) county, the respective counties, boards, commissions, and officers of each of

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the counties shall perform duties required to form a metropolitan school district jointly and severally, including:

(1) dividing the territory into board member districts;

(2) levying and collecting taxes;

(3) allocating receipts;

(4) filing petitions for nomination;

(5) printing and distributing ballots,

(6) tabulating and certifying election results; and

(7) filling vacancies.

Sec. 12. (a) As used in this section, "school township" means a school township of this state that:

(1) for the last full school semester immediately preceding the adoption of a preliminary resolution by the township trustee and the township board under subsection (f) or their adoption of a resolution of disapproval under subsection (g) had an average daily membership of at least six hundred (600) students in kindergarten through grade 12 in the public schools of the school township; or

(2) is part of a township in which there were more votes cast for township trustee outside the school township than inside the school township in the general election at which the trustee was elected and that preceded the adoption of the preliminary or disapproving resolution.

(b) As used in this section, "township trustee" means the township trustee of the township in which the school township is located.

(c) As used in this section, "township board" means the township board of the township in which the school township is located.

(d) As used in this section, "county" means the county in which the school township is located.

(e) In a school township, a metropolitan school district may be created by complying with this section. A metropolitan school district created under this section shall have the same boundaries as the school township. After a district has been created under this section, the school township that preceded the metropolitan school district is abolished. None of the procedures or provisions governing the creation of a metropolitan school district under another section of this chapter are applicable to the creation of a district under this section. After a district is created under this section, the metropolitan school district shall, except as otherwise provided in this section, be governed by and operate in accordance

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with this chapter governing the operation of a metropolitan school district as established under section 2 of this chapter.

(f) Except as provided in subsection (g), a metropolitan school district provided for in subsection (e) may be created in the following manner:

(1) The township trustee shall call a meeting of the township board. At the meeting the township trustee and a majority of the township board shall adopt a resolution that a metropolitan school district shall be created in the school township. The township trustee shall then give notice:

(A) by publication by two (2) insertions one (1) week apart in a newspaper of general circulation published in the school township, or

(B) if there is no newspaper as described in clause (A), in a newspaper of general circulation in the county;

of the adoption of the resolution setting forth the text of the resolution.

(2) On the thirtieth day after the date of the last publication of the notice under subdivision (1) and if a protest has not been filed, the township trustee and a majority of the township board shall confirm their preliminary resolution. If, however, on or before the twenty-ninth day after the date of the last publication of the notice, a number of registered voters of the school township, equal to five percent (5%) or more of the number of votes cast in the school township for secretary of state at the last preceding general election for that office, sign and file with the township trustee a petition requesting an election in the school township to determine whether or not a metropolitan school district must be created in the township in accordance with the preliminary resolution, then an election must be held as provided in subsection (h). The preliminary resolution and confirming resolution provided in this subsection shall both be adopted at a meeting of the township trustee and township board in which the township trustee and each member of the township board received or waived a written notice of the date, time, place, and purpose of the meeting. The resolution and the proof of service or waiver of the notice shall be made a part of the records of the township board.

(g) Except as provided in subsection (f), a metropolitan school district may also be created in the following manner:

(1) A number of registered voters of the school township,

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equal to five percent (5%) or more of the votes cast in the school township for secretary of state at the last general election for that office, shall sign and file with the township trustee a petition requesting the creation of a metropolitan school district under this section.

(2) The township trustee and a majority of the township board shall, not more than ten (10) days after the filing of a petition:

(A) adopt a preliminary resolution that a metropolitan school district shall be created in the school township and proceed as provided in subsection (f); or

(B) adopt a resolution disapproving the creation of the district.

(3) If either the township trustee or a majority of township board members vote in favor of disapproving the resolution, an election must be held to determine whether or not a metropolitan school district shall be created in the school township in the same manner as is provided in subsection (f) if an election is requested by petition.

(h) An election required under subsection (f) or (g) may, at the option of the township trustee, be held either as a special election or in conjunction with a primary or general election to be held not more than one hundred twenty (120) days after the filing of a petition under subsection (f) or the adoption of the disapproving resolution under subsection (g). The township trustee shall certify the question to the county election board under IC 3-10-9-3 and give notice of an election:

(1) by two (2) insertions one (1) week apart in a newspaper of general circulation in the school township; or

(2) if a newspaper described in subdivision (1) does not exist, in a newspaper of general circulation published in the county.

The notice must provide that on a day and at an hour named in the notice, the polls shall be opened at the usual voting places in the various precincts in the school township for the purpose of taking the vote of the registered voters of the school township regarding whether a metropolitan school district shall be created in the township. The election shall be held not less than twenty (20) days and not more than thirty (30) days after the last publication of the notice unless a primary or general election will be conducted not more than six (6) months after the publication. In that case, the county election board shall place the public question on the ballot at the primary or general election. If the election is to be a special election, the township trustee shall give notice not more than thirty

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(30) days after the filing of the petition or the adoption of the disapproving resolution.

(i) On the day and time named in the notice, the polls shall be opened and the votes of the voters shall be taken regarding whether a metropolitan school district shall be created in the school township. IC 3 governs the election except as otherwise provided in this chapter. The county election board shall conduct the election. The public question shall be placed on the ballot in the form prescribed by IC 3-10-9-4 and must state "Shall a metropolitan school district under IC 20-23-7 be formed in the _____ School Township of _____ County, Indiana?". The name of the school township shall be inserted in the blanks.

(j) The votes cast in the election shall be canvassed at a place in the school township determined by the county election board. The certificate of the votes cast for and against the creation of a metropolitan school district shall be filed in the records of the township board and recorded with the county recorder. If the special election is not conducted at a primary or general election, the school township shall pay the expense of holding the election out of the special school fund that is appropriated for this purpose.

(k) A metropolitan school district shall, subject to section 7 of this chapter, be created on the thirtieth day after the date of the adoption of the confirming resolution under subsection (f) or an election held under subsection (h). If a public official fails to do the official's duty within the time prescribed in this section, the failure does not invalidate the proceedings taken under this section. An action to contest the validity of the creation of a metropolitan school district under this section or to enjoin the operation of a metropolitan school district may not be instituted later than the thirtieth day following the date of the adoption of the confirming resolution under subsection (f) or of the election held under subsection (h). Except as provided in this section, an election under this subsection may not be held sooner than twelve (12) months after another election held under subsection (h).

(l) A metropolitan school district is known as "The Metropolitan School District of _____ Township, _____ County, Indiana". The first metropolitan board of education in a metropolitan school district created under this section consists of five (5) members. The township trustee and the township board members are ex officio members of the first board, subject to the laws concerning length of their respective terms of office, manner

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of election or appointment, and the filling of vacancies applicable to their respective offices. The ex officio members serve without other compensation or reimbursement for expenses than that which they may receive from their respective offices. The township board shall, by a resolution recorded in its records, appoint the fifth member of the metropolitan board of education. The fifth member shall meet the qualifications of a member of a metropolitan board of education under this chapter, with the exception of the board member district requirements provided in sections 4, 5, and 8 of this chapter.

(m) A fifth board member shall be appointed not more than fifteen (15) days after the date of the adoption of the confirming resolution under subsection (f)(2) or an election held under subsection (h). The first board shall hold its first meeting not more than fifteen (15) days after the date when the fifth board member is appointed or elected, on a date established by the township board in the resolution in which it appoints the fifth board member. The first board shall serve until July 1 following the election of a metropolitan school board at the first primary election held more than sixty (60) days following the creation of the metropolitan school district.

(n) After the creation of a metropolitan school district under with this section, the president of the metropolitan school board of the district shall serve as a member of the county board of education and perform the duties on the county board of education that were previously performed by the township trustee. The metropolitan school board and superintendent of the district may call upon the assistance of and use the services provided by the county superintendent of schools. This subsection does not limit or take away the powers, rights, privileges, or duties of the metropolitan school district or the board or superintendent of the district provided in this chapter.

Sec. 13. In the resolution creating a county school corporation or metropolitan school district or in the petitions requesting the creation of or requesting a referendum on the question of creating a corporation or district under IC 20-23-16-15 or section 2 or 12 of this chapter, the resolutions or petitions may specify when a school corporation or school district shall be created and the corporation or district shall then be created at the time provided in the resolutions or petitions.

Chapter 8. Governing Body Composition Change

Sec. 1. As used in this chapter, "circuit court" means:

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(1) the circuit court of the county in which a school corporation is located; or

(2) if a school corporation is located in more than one (1) county, the circuit court of the county in which the largest number of registered voters of the school corporation are residents.

Sec. 2. As used in this chapter, "clerk" means:

(1) the clerk of the circuit court of the county in which a school corporation is located; or

(2) if a school corporation is located in more than one (1) county, the clerks in each of the counties in which the school corporation is located.

Sec. 3. As used in this chapter, "county election board" means:

(1) the county election board in the county in which a school corporation is located; or

(2) if a school corporation is located in more than one (1) county, the county election boards of the counties in which the school corporation is located, acting jointly.

Sec. 4. As used in this chapter, "plan" means the manner in which the governing body of a school corporation is constituted, including the number, qualifications, length of terms, manner, and time of selection, either by appointment or by election of the members of the governing body.

Sec. 5. As used in this chapter, "school corporation" means a local public school corporation established under the laws of Indiana. The term does not include a school township or a school corporation covered by IC 20-23-12.

Sec. 6. As used in this chapter, "voter", with respect to a petition, means a registered voter in the school corporation as determined in this chapter.

Sec. 7. (a) A plan or proposed plan must contain the following items:

(1) The number of members of the governing body, which shall be:

(A) three (3);

(B) five (5); or

(C) seven (7);

members.

(2) Whether the governing board shall be elected or appointed.

(3) If appointed, when and by whom, and a general description of the manner of appointment that conforms with

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the requirements of IC 20-23-4-28.

(4) If elected, whether the election shall be at the primary or at the general election that county officials are nominated or elected, and a general description of the manner of election that conforms with the requirements of IC 20-23-4-27.

(5) The limitations on:

(A) residence;

(B) term of office; and

(C) other qualifications;

required by members of the governing body.

(6) The time the plan takes effect.

A plan or proposed plan may have additional details to make the provisions of the plan workable. The details may include provisions relating to the commencement or length of terms of office of the members of the governing body taking office under the plan.

(b) Except as provided in subsection (a)(1), in a city having a population of more than fifty-nine thousand seven hundred (59,700) but less than sixty-five thousand (65,000), the governing body described in a plan may have up to nine (9) members.

Sec. 8. (a) A plan is subject to the following limitations:

(1) A member of the governing body may not serve for a term of more than four (4) years, but a member may succeed himself or herself in office. This limitation does not apply to members who hold over during an interim period to effect a new plan awaiting the selection and qualification of a member under the new plan.

(2) The plan, if the members are:

(A) to be elected, shall conform with one (1) of the types of board organization permitted by IC 20-23-4-27; or

(B) appointed, shall conform with one (1) of the types permitted by IC 20-23-4-28.

(3) The terms of the members of the governing body, either elected to or taking office on or before the time the plan takes effect, may not be shortened. The terms of the members taking office under the plan may be shortened to make the plan workable on a permanent basis.

(4) If the plan provides for electoral districts, where a member of the governing body is elected solely by the voters of a single district, the districts must be as near as practicable equal in population. The districts shall be reapportioned and their boundaries changed, if necessary, by resolution of the governing body before the election next following the effective

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date of the subsequent decennial census to preserve the equality by resolution of the governing body.

(5) The plan shall comply with the:

(A) Constitution of the State of Indiana; and

(B) Constitution of the United States;

including the equal protection clauses of both constitutions.

(6) The provisions of IC 20-23-4-26 through IC 20-23-4-33 and IC 20-23-16-4 relating to the board of trustees of a community school corporation and to the community school corporation, including provisions relating to powers of the board and corporation and provisions relating to the mechanics of selection of the board, where elected and where appointed, apply to a governing body set up by a plan under this chapter and to the school corporation.

(b) The limitations set forth in this section do not have to be specifically set forth in a plan but are a part of the plan. A plan shall be construed, if possible, to comply with this chapter. If a provision of the plan or an application of the plan violates this chapter, the invalidity does not affect the other provisions or applications of the plan that can be given effect without the invalid provision or application. The provisions of a plan are severable.

Sec. 9. The plan of school board organization of a governing body may be changed in accordance with the procedures set out in this chapter.

Sec. 10. (a) A change in a plan may be initiated by one (1) of the following procedures:

(1) By filing a petition signed by at least twenty percent (20%) of the voters of the school corporation with the clerk of the circuit court.

(2) By a resolution adopted by the governing body of the school corporation.

(3) By ordinance adopted by a city legislative body under section 13 of this chapter.

(b) A petition, resolution, or ordinance must set forth a description of the plan that conforms with section 7 of this chapter.

(c) Except as provided in subsection (a)(1), in a city having a population of more than fifty-nine thousand seven hundred (59,700) but less than sixty-five thousand (65,000), a change in a plan may be initiated by filing a petition signed by ten percent (10%) or more of the voters of the school corporation with the clerk of the circuit court.

Sec. 11. (a) A voter is entitled to file a petition under this

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chapter with the clerk of the circuit court to:

(1) initiate a plan;

(2) protest a plan; or

(3) initiate an alternative plan.

(b) If a voter files a petition under subsection (a), the filing and certification of the petition is governed by the following provisions:

(1) The petition must show:

(A) the date that a person has signed the petition; and,

(B) in order to identify the person as a registered voter of the school corporation, the person's residence on that date.

(2) The petition may be executed in several counterparts, the total of which constitutes a petition. A counterpart must:

(A) contain the names of voters residing within a single county;

(B) be filed with the clerk of the circuit court of that county;

(C) have attached to it the affidavit of the person circulating the counterpart stating that each signature:

(i) appearing on the counterpart was affixed in the person's presence; and

(ii) is the true and lawful signature of the person who made the signature.

(3) A person who signs a petition or a counterpart may file the petition or a counterpart.

(4) All counterparts constituting a petition shall be filed on the same day.

(5) A person who signs a petition filed under subsection (a) may withdraw the person's name from the petition before the petition is filed with the clerk. Names may not be added to a petition after the petition has been filed with the clerk.

(6) After the receipt of a petition, the clerk shall:

(A) strike all signatures appearing on the petition more than once; and

(B) make a certification under the clerk's hand and seal of the office as to the following:

(i) The number of signatures on the petition that are not duplicates representing persons who are registered voters residing within that part of the school corporation located within the county, as disclosed by the voter registration records in the office of the clerk or the board of registration of the county, or wherever the registration records are kept.

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(ii) The total number of registered voters residing within the boundaries of that part of the school corporation located within the county, as disclosed in the records described in item (i).

(iii) The date of the filing of the petition with the clerk.

(7) The clerk shall:

(A) certify a petition not more than thirty (30) days after the filing of the petition, excluding time when the registration records are unavailable to the clerk, or within additional time as is reasonably necessary not to exceed an additional thirty (30) days, to permit the clerk to make a certification;

(B) establish a record of the certification at the clerk's office; and

(C) file:

(i) the original petition; and

(ii) a copy of the clerk's certification;

with the governing body.

Sec. 12. The governing body shall, by resolution adopted not more than thirty (30) days after a petition is filed with it, either approve or disapprove a plan. The failure to take action within the thirty (30) day period constitutes disapproval of the plan.

Sec. 13. (a) This section applies to a school corporation located in a city having a population of more than ninety thousand (90,000) but less than one hundred five thousand (105,000).

(b) The city legislative body may adopt an ordinance to increase the membership of the governing body of a school corporation to seven (7) members.

(c) The ordinance must provide the following:

(1) The additional members of the governing body are to be appointed by the city executive.

(2) If the plan is subsequently changed to provide for the election of governing body members:

(A) the membership of the governing body may not be less than seven (7); and

(B) the members of the governing body are to be elected.

(3) The initial terms of the members appointed under this section.

(4) The effective date of the ordinance.

(d) An ordinance adopted under this section:

(1) supersedes a part of the plan that conflicts with the ordinance;

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(2) must be filed with the state superintendent under section 22 of this chapter; and

(3) may only be amended or repealed by the city legislative body.

Sec. 14. (a) Not more than ten (10) days after a governing body has:

(1) initiated;

(2) approved; or

(3) disapproved;

a plan initiated by the petition filed with it, the governing body shall publish a notice one (1) time in a newspaper of general circulation in the county of the school corporation. If a newspaper of general circulation is not published in the county of the school corporation, the governing body shall publish a notice one (1) time in a newspaper of general circulation published in a county adjoining the county of the school corporation.

(b) The notice must set out the text of a plan initiated by the governing body or another plan filed with the governing body before the preparation of the notice. The notice must also state the right of a voter, as provided in this section, to file a petition for alternative plans or a petition protesting the adoption of a plan or plans to which the notice relates.

(c) If the governing body fails to publish a notice required by this section, the governing body shall, not more than five (5) days after the expiration of the ten (10) day period for publication of notice under this section, submit the petition that has been filed with the clerk to the state board, whether or not the plan contained in the petition or the petition meets the requirements of this chapter.

(d) Not later than one hundred twenty (120) days after the publication of the notice, voters of the school corporation may file with the clerk a petition protesting a plan initiated or approved by the governing body or a petition submitting an alternative plan as follows:

(1) A petition protesting a plan shall be signed by at least twenty percent (20%) of the voters of the school corporation or five hundred (500) voters of the school corporation, whichever is less.

(2) A petition submitting an alternative plan shall be signed by at least twenty percent (20%) of the voters of the school corporation.

A petition filed under this subsection shall be certified by the clerk

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and shall be filed with the governing body in the same manner as is provided for a petition in section 11 of this chapter.

(e) The governing body or the voters may not initiate or file additional plans until the plans that were published in the notice or submitted as alternative plans not later than one hundred twenty (120) days after the publication of the notice have been disposed of by:

(1) adoption;

(2) defeat at a special election held under section 16 of this chapter; or

(3) combination with another plan by the state board under section 15 of this chapter.

Sec. 15. (a) Not more than thirty (30) days after the expiration of the one hundred twenty (120) day period for filing a petition, plans that have been published in accordance with section 14 of this chapter, whether the plans were initiated by the governing body or in connection with a petition, shall be submitted to the state board.

(b) The state board shall:

(1) review a plan;

(2) revise a plan, if possible, to:

(A) cure ambiguities; and

(B) ensure that the plan complies with the limitations set out in section 8 of this chapter;

(3) if a plan provides for electoral districts, verify that the districts are, as near as practicable, equal in population according to the decennial census immediately preceding the first petition or resolution initiating the plan; and

(4) certify a plan, with revisions, to the governing body and to the clerk.

The state board may combine plans if the state board determines that the plans are substantially similar. In making its determinations, the commission may, but is not obligated to, hold hearings and shall make an investigation as it considers necessary. If the state board holds a hearing, the state board may hear the evidence through hearing examiners, who do not have to be members of the state board. The state board shall send a certified record of its determinations to the governing body, the clerk, and the county election board.

(c) Not more than sixty (60) days after receiving a plan submitted by a governing body under section 14 of this chapter, the state board shall publish notice of the plan in accordance with

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section 14 of this chapter, unless the state board determines that the plan or the petition does not meet the requirements of this chapter.

Sec. 16. (a) If:

(1) the governing body has disapproved a plan submitted;

(2) an alternative plan has been filed; or

(3) a petition of protest has been filed;

the county election board shall hold a special election at a date to be determined by the county election board not more than ninety (90) days after the receipt of the determination of the state board on a plan in the form certified by the state board.

(b) If a special election under subsection (a) can be held not more than six (6) months after the receipt of the determination from the state board in conjunction with a primary or general election at which:

(1) county officials are to be elected or nominated; or

(2) city or town officials are to be elected in those areas of the school corporations that are within the city or town;

the county election board may delay the special election until the date of the regular election.

(c) If a school corporation is located in more than one (1) county, the county election board of the county containing the greatest percentage of population of the school corporation shall determine the date of an election held under this section.

Sec. 17. (a) The clerk shall create the form of notice of the election and the ballot not more than thirty (30) days after receiving the certification from the state board as required by section 15 of this chapter. The notice must:

(1) state the date when the election shall take place; and

(2) describe generally the plans to be voted upon.

(b) The text of the public question on the ballot must include a description of the plan proposed, including:

(1) the number of members on the board;

(2) the number of electoral or resident member districts, if any;

(3) the number of at-large districts, if any;

(4) a general description of the geographical boundaries of the districts, referring to civil boundaries where applicable or merely general descriptions, such as the north half or north part of a civil geographical district or the territory north of a geographical boundary; and

(5) other information sufficient to distinguish a plan from

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other plans.

If the text of the public question includes a description of the plan regarding how the current board is organized, as required by subsection (d), the plan must be identified as the existing plan.

(c) If only one (1) plan is proposed, the ballot shall be prepared so that voters who wish to vote on the plan must cast either an affirmative vote or a negative vote.

(d) If more than one (1) plan is proposed, the plan organizing the governing body must appear on the ballot as an option. The text of the public question must include a description of the existing plan that meets the criteria specified in subsection (b). The ballot must be prepared so that voters who wish to vote on the plans may vote for only one (1) plan.

(e) The text of the public question must be placed on the ballot in the form prescribed by IC 3-10-9-4.

(f) Subject to IC 3-12-1, the notice or ballot is not invalid if there has been a good faith effort to comply with this section.

Sec. 18. (a) The county election board shall give notice of an election under section 16 of this chapter after receiving the form of notice and ballot from the clerk. The county election board shall publish notice one (1) time in two (2) newspapers of general circulation in the school corporation, or if only one (1) newspaper is of general circulation, then in that newspaper. The publication may not be made less than ten (10) days nor more than forty-five (45) days before the election. Any other notice of the election or requirement for the time of printing ballots, whether prescribed by IC 3 or otherwise, is not required to be given or observed. A person may not vote at the special election unless the person is then qualified as a registered voter.

(b) IC 3 applies to the conduct of an election under this chapter, except if the provisions of this chapter are in conflict with provisions of IC 3 or if IC 3 cannot be practicably applied.

(c) If the special election is not conducted at a primary or general election, the school corporation shall pay the cost of conducting the election from the school corporation's general fund not otherwise appropriated without appropriation.

Sec. 19. (a) A plan shall be adopted in the following circumstances:

(1) At the expiration of one hundred twenty (120) days after the publication of notice by the governing body if:

(A) the governing body has initiated or approved the plan;

(B) a petition has not been filed either protesting the plan

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or setting forth an alternative plan; and

(C) the state board has reviewed and certified the plan.

(2) If only one (1) plan is on the ballot and it receives more affirmative than negative votes, the plan is adopted at the expiration of thirty (30) days following the special election.

(3) If more than one (1) plan is on the ballot, the plan receiving the most votes is adopted at the expiration of thirty (30) days after the special election.

(b) The plan is effective:

(1) at the time provided in the plan; or

(2) if a time is not provided or if the time provided is inapplicable due to the lapse of time of the proceedings under this chapter, either on the January 1 or July 1 following the time of adoption of the plan.

Sec. 20. An action to:

(1) contest the validity of the adoption of a plan to declare that the plan has not been validly adopted; or

(2) enjoin the operation of a plan;

may not be instituted with respect to the adoption of the plan under section 19(a)(1) of this chapter at any time later than the one hundred twenty (120) days following the publication of the notice required by section 14 of this chapter or under section 19(a)(2) or 19(a)(3) of this chapter at any time later than the thirtieth day following the election at which the plan is adopted.

Sec. 21. An election may not be held under this chapter more than once each eighteen (18) months. A plan for a governing body may not be adopted more than once each six (6) years, except if:

(1) the plan only changes the time of voting for board members from the primary to the general election or from the general to the primary election;

(2) a plan adopted is declared or held to be invalid by a binding judgment or order in a United States or an Indiana court that no appeal or further approval can be taken; or

(3) the plan provides solely for changes in items specified in section 7(a)(5) of this chapter.

Sec. 22. (a) A school corporation shall file with the state superintendent:

(1) a transcript showing the acts and resolutions related to the school corporation's formation; and

(2) a description, if not otherwise contained in the transcript under subdivision (1), of the structure and manner of selection of its governing body.

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(b) The transcript or description under subsection (a) shall be filed not more than sixty (60) days after the school corporation's creation or the school corporation's adoption of a new plan.

(c) A school corporation shall file with the state superintendent, before August 1 of each year, a list of names and addresses of:

(1) members of its governing body; and

(2) the school corporation's officers along with the expiration of the officer's respective terms.

(d) A school corporation shall file any change to a list under subsection (c) not later than thirty (30) days after the change occurs.

Sec. 23. (a) The failure of a public official or body to perform the duties specified in this chapter within the time limits prescribed does not invalidate any proceedings taken by the official or board.

(b) If a public official or body refuses to perform duties within the time limits provided in this chapter, the official or body may be mandated to perform the duties in an action filed in the circuit or superior court by a voter or by the governing body.

(c) The court shall award reasonable attorney's fees to a voter who brings an action under this section against a governing body or public official and prevails. The governing body or employer of a public official shall pay costs and fees incurred by or on behalf of an employee in defense of a claim or suit for a loss occurring because of acts or omissions within the scope of the employee's employment, regardless of whether the employee can or cannot be held personally liable for the loss.

Sec. 24. If a United States or an Indiana court enters a binding temporary or permanent order directing or approving a change in the manner of selecting the governing body, any governing body selected under the order is the legal governing body of the school corporation, until its manner of selection is changed under this or any other applicable Indiana statute.

Sec. 25. (a) In implementing a plan adopted under this chapter, requiring the holding of a special election, the county election board, or county election boards in the case of a multicounty school corporation, shall hold, manage, and supervise a special election.

(b) The county election board shall pay the costs of a special election.

(c) A school corporation shall reimburse the county election board from the school corporation's general fund money not otherwise appropriated, without appropriation, if a special election occurs under this chapter.

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Chapter 9. Annexation of a Township School Corporation

Sec. 1. As used in this chapter, "annexing corporation" refers to a school corporation that has annexed all or part of any territory of a township school.

Sec. 2. As used in this chapter, "township" refers to a township where any part of a township school was located.

Sec. 3. As used in this chapter, "township school" refers to:

(1) a township school that loses territory to an annexing corporation as a result of an annexation;

(2) the township school's successor; or

(3) the township.

Sec. 4. (a) An annexing corporation may file a petition of appeal with the department of local government finance for emergency financial relief.

(b) The annexing corporation shall serve the petition on the following:

(1) The department.

(2) The township.

(3) The township school.

(4) Any other annexing corporation that annexed the township school on the same date.

(c) All annexing corporations are parties to the petition.

Sec. 5. If the department of local government finance receives a petition of appeal under section 4 of this chapter, the department of local government finance shall submit the petition to the school property tax control board established by IC 6-1.1-19-4.1 for a factfinding hearing.

Sec. 6. (a) If the department of local government finance submits a petition to the school property tax control board under section 5 of this chapter, the school property tax control board shall hold a factfinding hearing.

(b) At a hearing described in subsection (a), the school property tax control board shall determine the following:

(1) Whether the township school has made all payments required by any statute, including the following:

(A) P.L.32-1999.

(B) IC 20-23-5-12 and IC 20-23-16-37.

(C) The resolution or plan of annexation of the township school, including:

(i) any amendment to the resolution or plan;

(ii) any supporting or related documents; and

(iii) any agreement between the township school and an

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annexing corporation relating to the winding up of affairs of the township school.

(2) The amount, if any, by which the township school is in arrears on any payment described in subdivision (1).

(3) Whether the township school has filed with the department of local government finance all reports concerning the affairs of the township school, including all transfer tuition reports required for the two (2) school years immediately preceding the date on which the township school was annexed.

(c) In determining the amount of arrears under subsection (b)(2), the school property tax control board shall consider all amounts due to an annexing corporation, including the following:

(1) Any transfer tuition payments due to the annexing corporation.

(2) All levies, excise tax distributions, and state distributions received by the township school and due to the annexing corporation, including levies and distributions received by the township school after the date on which the township school was annexed.

(3) All excessive levies that the township school agreed to impose and pay to an annexing corporation but failed to impose.

(d) If, in a hearing under this section, a school property tax control board determines that a township school has:

(1) under subsection (b)(1), failed to make a required payment; or

(2) under subsection (b)(3), failed to file a required report;

the department may act under section 7 of this chapter.

Sec. 7. (a) If a school property tax control board makes a determination under section 6(d) of this chapter, the department:

(1) may prohibit a township from:

(A) acquiring real estate;

(B) making a lease or incurring any other contractual obligation calling for an annual outlay by the township exceeding ten thousand dollars ($10,000);

(C) purchasing personal property for a consideration greater than ten thousand dollars ($10,000); and

(D) adopting or advertising a budget, tax levy, or tax rate for any calendar year;

until the township school has made all required payments under section 6(b)(1) of this chapter and filed all required

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reports under section 6(b)(3) of this chapter; and

(2) shall certify to the treasurer of state the amount of arrears determined under section 6(b)(2) of this chapter.

(b) Upon being notified of the amount of arrears certified under subsection (a)(2), the treasurer of state shall make payments from the funds of state to the extent, but not in excess, of any amounts appropriated by the general assembly for distribution to the township school, deducting the payments from any amount distributed to the township school.

Sec. 8. The department may grant permission to a township school or a township to impose an excess levy to satisfy its obligations under this chapter.

Chapter 10. Merger of School Corporations Within Counties

Sec. 1. As used in this chapter, "concurrent resolutions" means substantially identical resolutions adopted by the governing bodies of the school corporations in a county.

Sec. 2. As used in this chapter, "governing body" means the board or commission charged by law with the responsibility of administering the affairs of a school corporation, including a board of school commissioners, metropolitan board of education, board of school trustees, or board of trustees. In the case of a school township, the term means the trustees and township board acting jointly.

Sec. 3. As used in this chapter, "merger" means the merger of all the school corporations in a county into a single school corporation in which the rights and obligations of each school corporation, including the right to receive tax and other money, are transferred into a new corporation to be known in this chapter as the merged corporation.

Sec. 4. As used in this chapter, "school corporation in the county" means all the school corporations that have territory in a county.

Sec. 5. School corporations in a county may merge in the following manner:

(1) The governing bodies of the school corporations shall adopt a concurrent resolution providing for the merger.

(2) The resolutions in subdivision (1) shall be adopted not later than sixty (60) days after the date the first concurrent resolution is adopted by a governing body. The resolutions must provide for the following:

(A) The makeup of board member districts, including that:

(i) board members shall be elected from the entire

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merged school corporation, but residence requirements may provide that members live in different districts;

(ii) the board member districts need not be equal in size or population, and one (1) board member district may include the area in the merged school corporation;

(iii) the number of members of the governing body of the merged school corporation to be elected from a board member district need not be equal in number; and

(iv) concurrent resolutions may also eliminate requirements that there be board member districts.

(B) The number of members on the governing body of the merged school corporation must be:

(i) three (3);

(ii) five (5); or

(iii) seven (7);

members.

(C) The time the merged school corporation comes into existence.

If a time is not provided when the merged school corporation comes into existence or if a final judgment in the remonstrance proceeding is delayed beyond the time set in the concurrent resolutions, the merged school corporation comes into existence on July 1 following the adoption of the resolutions or the final judgment, whichever occurs last.

Sec. 6. (a) After the last concurrent resolution under section 5 of this chapter is adopted, notice of the adoption of the concurrent resolutions shall be given by stating:

(1) the substance of the concurrent resolutions;

(2) that the resolutions have been adopted; and

(3) that a right of remonstrance exists as provided in this chapter.

It is not necessary to set out the remonstrance provisions of the statute, but a general reference to the right of remonstrance with a reference to this chapter is sufficient.

(b) The notice under subsection (a) shall be made two (2) times, one (1) week apart in two (2) daily newspapers, published in the English language and of general circulation in the county. If there is only one (1) daily or weekly newspaper in the county, publication in that newspaper is sufficient.

(c) The merger shall take effect at the time provided in section 5 of this chapter unless, not more than thirty (30) days after the first publication of the notice, a remonstrance is filed in the circuit

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or superior court of the county by registered voters equal in number to at least ten percent (10%) of the registered voters of a school corporation in the county.

Sec. 7. (a) A remonstrance under section 6 of this chapter:

(1) must be in substantially the following form:

The undersigned hereby remonstrates against the merger of the school corporations in _____ county;

(2) may be filed in counterparts that must have attached:

(A) the affidavit of the person circulating it;

(B) a statement that each signature appearing on the remonstrance was affixed in the presence of the person circulating the remonstrance; and

(C) a statement that each signature is the true and lawful signature of the person who made it;

(3) shall be accompanied by a complaint filed by one (1) or more of the remonstrators (who shall be treated as a representative of the entire class of remonstrators); and

(4) shall be signed by the remonstrator or the remonstrator's attorney, stating the reasons for the remonstrance, where these reasons are limited to the following:

(A) There is a procedural defect in the manner that the merger is carried out which is jurisdictional.

(B) The benefits to be derived from the merger are outweighed by its detriments, taking into consideration the respective benefits and detriments of the students and inhabitants residing in the school corporations of the county.

(b) A person who makes an affidavit under subsection (a) does not have to be one (1) of the persons who signs the counterpart attached to the affidavit.

(c) The plaintiff in the suit is the person whose name appears on the complaint. The defendants in a remonstrance under section 6 of this chapter are the school corporations in the county. Service of process shall be made on the defendants as in other civil actions.

(d) To determine whether the petition was timely filed, the time of filing is the time of filing with the clerk of the circuit court without regard to the time of issuance of the summons. If the thirtieth day falls on Sunday, a holiday, or another day when the clerk's office is not open, the time is extended to the next day when the clerk's office is open.

(e) The issues in a remonstrance suit are made up by the complaint, the allegations of the complaint being considered denied

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by the defendant or defendants. A responsive pleading does not need to be filed. However, a defendant may file a motion to dismiss the suit on the ground:

(1) that the requisite number of qualified remonstrators have not signed the petition;

(2) that the remonstrance was not timely filed; or

(3) that the complaint does not state a cause of action.

(f) A responsive pleading to a motion to dismiss under subsection (e) does not need to be filed.

(g) With respect to a motion under subsection (e)(1) and (e)(2), the allegations are considered denied by the remonstrators.

(h) To determine whether there are the requisite number of qualified remonstrators under subsection (e)(1), a person may not:

(1) withdraw the person's name after a remonstrance has been filed; or

(2) add the person's name to a remonstrance that has been filed.

(i) At a trial for a remonstrance suit, a person may, in support or derogation of the substantive matters in the complaint, introduce into evidence a verified statement that the person wishes that the person's name be added to or withdrawn from the remonstrance.

(j) The court may either hear all or a part of the matters raised by a motion to dismiss separately or may consolidate for trial all or a part of the matters with the matters relating to the substance of the case.

(k) A complaint may not be dismissed for failure to state a cause of action, if a fair reading of the complaint makes out one (1) of the grounds for remonstrance and suit provided in subsection (a).

(l) An amendment of the complaint may be permitted in the discretion of the court if the complaint does not state a new ground of remonstrance.

(m) The trial of a remonstrance suit shall be conducted as other civil cases by a court without the intervention of a jury on the issues raised by the:

(1) complaint; or

(2) motion to dismiss.

(n) In a remonstrance suit:

(1) a change of venue from a judge, but no change of venue from the county, is permitted;

(2) the court will expedite the hearing of the case; and

(3) the court's judgment must be either that:

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(A) the merger takes place;

(B) the merger does not take place; or

(C) the remonstrance is dismissed.

Sec. 8. (a) The board members of a merged school corporation shall be elected at the first primary election following the merged school corporation's creation, and vacancies shall be filled in accordance with IC 20-23-4-30.

(b) Until the first election under subsection (a), the board of trustees of the merged school corporation consists of:

(1) the members of the governing body of a school corporation in the county other than a school township; and

(2) the township trustee of a school township in the county.

(c) The first board of trustees shall select the name of the merged school corporation by a majority vote. The name may be changed by unanimous vote of the governing body of the merged school corporation.

Sec. 9. A merged school corporation has the powers provided in IC 20-23-4-26 through IC 20-23-4-33 and IC 20-23-16-4.

Chapter 11. Joint Schools in Adjacent States

Sec. 1. If a school trustee or board of school trustees of any school corporation in Indiana that is adjacent to a school corporation of another state believes the best interests of the public schools can be promoted by purchasing school grounds, repairing or erecting a schoolhouse or schoolhouses, and maintaining a school jointly between the two (2) adjacent school corporations, the school trustee or school trustees of the school corporation of Indiana so situated may enter into an agreement with the school authorities of the adjacent school corporation to:

(1) purchase school grounds or repair or construct a school building;

(2) purchase school furniture, equipment, appliances, or fuel; or

(3) employ teachers and maintain a school;

if, in the judgment of the school trustee or trustees of Indiana, the best interests of the public school can be promoted by doing so.

Sec. 2. The trustee or trustees of Indiana may levy taxes and perform other duties in maintaining the joint school as are otherwise provided by law for maintaining the public schools in Indiana.

Sec. 3. In carrying out this chapter, the school corporation shall pay the proportion of the cost of purchasing school grounds, repairing or erecting new building or buildings, and in maintaining

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the joint school, as the school trustees of the two (2) adjacent school corporations determines is equitable and just.

Chapter 12. Election of Governing Body Members in Gary

Sec. 1. IC 20-23-8 does not apply to:

(1) a school corporation; or

(2) the governing body of a school corporation;

covered by this chapter.

Sec. 2. As used in this chapter, "school corporation" means a school corporation that is located in a city having a population of more than ninety thousand (90,000) but less than one hundred five thousand (105,000).

Sec. 3. (a) The governing body of the school corporation consists of seven (7) members elected as follows:

(1) On a nonpartisan basis.

(2) In a primary election held in the county.

(b) Six (6) of the members shall be elected from the school districts drawn under section 4 of this chapter. Each member:

(1) is elected from the school district in which the member resides; and

(2) upon election and in conducting the business of the governing body, represents the interests of the entire school corporation.

(c) One (1) of the members elected:

(1) is the at-large member of the governing body;

(2) may reside in any of the districts drawn under section 4 of this chapter; and

(3) upon election and in conducting the business of the governing body, represents the interests of the entire school corporation.

Sec. 4. The districts are drawn on the same lines as the common council districts referred to in IC 36-4-6-3.

Sec. 5. (a) The six (6) members who are elected for a position on the governing body described under section 3(b) of this chapter are determined as follows:

(1) Each prospective candidate must file a nomination petition with the clerk of the circuit court at least seventy-four (74) days before the election at which the members are to be elected that includes the following information:

(A) The name of the prospective candidate.

(B) The district in which the prospective candidate resides.

(C) The signatures of at least one hundred (100) registered voters residing in the school corporation.

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(D) The fact that the prospective candidate is running for a district position.

(E) A certification that the prospective candidate meets the qualifications for candidacy imposed by this chapter.

(2) Only eligible voters residing in the district may vote for a candidate.

(3) The candidate within each district who receives the greatest number of votes in the district is elected.

(b) The at-large member elected under section 3(c) of this chapter is determined as follows:

(1) Each prospective candidate must file a nomination petition with the clerk of the circuit court at least seventy-four (74) days before the election at which the at-large member is to be elected. The petition must include the following information:

(A) The name of the prospective candidate.

(B) The signatures of at least one hundred (100) registered voters residing within the school corporation.

(C) The fact that the prospective candidate is running for the at-large position on the governing body.

(D) A certification that the prospective candidate meets the qualifications for candidacy imposed by this chapter.

(2) Only eligible voters residing in the school corporation may vote for a candidate.

(3) The candidate who:

(A) runs for the at-large position on the governing body; and

(B) receives the greatest number of votes in the school corporation;

is elected to the at-large position.

Sec. 6. (a) A candidate who runs for a position on the governing body described under section 3(b) of this chapter must reside in the school corporation district for which the candidate filed.

(b) A candidate who runs for the at-large position on the governing body described in section 3(c) of this chapter must reside in the school corporation.

Sec. 7. The state board, with assistance from the county election board, shall establish:

(1) balloting procedures under IC 3 for the election; and

(2) all other procedures required to implement this chapter.

Sec. 8. The term of each person elected to serve on the governing body:

(1) is four (4) years; and

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(2) begins the July 1 that next follows the person's election.

Sec. 9. The members are elected as follows:

(1) Three (3) of the members elected under section 3(b) of this chapter are elected at the primary election to be held in 2008 and every four (4) years thereafter.

(2) Three (3) of the members elected under section 3(b) of this chapter are elected at the primary election to be held in 2006 and every four (4) years thereafter.

(3) The at-large member elected under section 3(c) of this chapter is elected at the primary election to be held in 2008 and every four (4) years thereafter.

Sec. 10. (a) A vacancy on the governing body is created when:

(1) a member:

(A) dies;

(B) resigns from the governing body;

(C) ceases to be a resident of the school corporation;

(D) fails to attend, except for reason of chronic illness, six (6) regularly scheduled meetings of the governing body in any twelve (12) month period; or

(E) ceases to be a resident of the school district in which the member was elected; or

(2) a vacancy is created under any other law.

(b) The governing body shall temporarily fill a vacancy on the governing body as soon as practicable after the vacancy occurs.

Sec. 11. Before August 1 of each year, the school corporation shall file with the state superintendent a list of the:

(1) names and addresses of members of the school corporation's governing body;

(2) names and addresses of the school corporation's officers; and

(3) expiration dates of the terms of the school corporation's members and officers.

The school corporation shall file any change in the list not later than thirty (30) days after the change occurs.

Chapter 13. Election of Governing Body Members in Hammond Community School Corporation

Sec. 1. (a) In a community school corporation established under IC 20-23-4 that:

(1) has a population of more than seventy-five thousand (75,000) but less than ninety thousand (90,000); and

(2) is the successor in interest to a school city having the same population;

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the governing body consists of a board of trustees of five (5) members elected in the manner provided in this chapter.

(b) At the 2004 primary election and at each primary election every four (4) years thereafter, there shall be elected in each school corporation covered by this chapter two (2) governing body members, each of whom shall serve for four (4) years. The two (2) candidates for the office of school trustee receiving the highest number of votes at the election take office on July 1 next following the election.

(c) At the 2002 primary election and at each primary election every four (4) years thereafter, there shall be elected in each school city covered by this chapter three (3) governing body members, each of whom shall serve for four (4) years. The three (3) candidates for the office of school trustee receiving the highest number of votes at the election take office on July 1 next following the election.

(d) The governing body members shall be elected at the times provided and shall succeed the retiring members in the order and manner as set forth in this section.

Sec. 2. (a) As used in this section, "county election board" means a board of elections and registration under IC 3-6-5.2.

(b) The governing body shall be elected on a general ticket for a term of four (4) years by the voters of the school city. A voter may vote in the primary election for governing body members without otherwise voting and without declaring party preference. The members of the governing body shall be elected at the time of the primary elections as provided in section 1 of this chapter and shall be taken from the city at large without reference to district. The election shall be held under IC 3-10-1, insofar as it is not inconsistent with this chapter.

(c) At the time provided by law for the filing of declaration of candidacy for the primary election in which members of the governing body are to be elected as provided for in this chapter, legal voters of the city may present names of candidates for election as members of the governing body to the county election board in each county in which a school city subject to this chapter is situated as follows:

(1) Each candidate shall be proposed in a petition in writing signed by not less than two hundred (200) legal voters of the school city.

(2) Not more than one (1) candidate may be named in any one (1) petition.

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(3) A legal voter may not sign petitions for a greater number of candidates than the number of school trustees to be elected in the primary election concerned.

(d) Upon the presentation of the petition to the county election board, the board shall publish the names proposed in accordance with IC 5-3-1 and shall certify the nominations in the manner as required by law. The election shall be conducted in accordance with IC 3.

(e) The county election board shall prepare the ballot for the primary election at which governing body members are to be elected as provided in this section so that the names of the candidates nominated for the governing body appear on the ballot:

(1) in alphabetical order;

(2) without party designation; and

(3) in the form prescribed by IC 3-10-1-19.

The name of a candidate may not be published and placed on the ballot by the county election board if the candidate is ineligible for membership on the governing body under this chapter. Each voter may vote for as many candidates as there are governing body members to be elected.

Sec. 3. The intent of this chapter is to provide that the governing body of the school corporations to which it relates shall be elected as provided in IC 20-23-4-27 and IC 20-23-4-29 through IC 20-23-4-31, but this chapter prevails over any conflicting provisions of IC 20-23-4 relating to any school corporation.

Chapter 14. Election of Governing Body Members in Lake Station

Sec. 1. This chapter applies to a school corporation for which a referendum has been held:

(1) as required by statute; and

(2) in which a majority of the votes cast approves electing the members of the governing body.

Sec. 2. As used in this chapter, "school corporation" means a school corporation that is located in a city having a population of more than thirteen thousand nine hundred (13,900) but less than fourteen thousand two hundred (14,200).

Sec. 3. (a) The governing body of the school corporation consists of five (5) members elected on a nonpartisan basis.

(b) Three (3) of the members are elected from the school districts referred to in section 4 of this chapter by eligible voters residing in the school districts. Each member:

(1) is elected from the school district in which the member

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resides; and

(2) upon election and in conducting the business of the governing body, represents the interests of the entire school corporation.

(c) Two (2) of the members:

(1) are elected by eligible voters residing in the school corporation;

(2) are at-large members of the governing body; and

(3) upon election and in conducting the business of the governing body, represent the interests of the entire school corporation.

Sec. 4. The school districts for the election of the members of the governing body under section 3(b) of this chapter are as follows:

(1) Commencing at the Southeast corner of Section 16; thence West along the center line of 29th Avenue (South line of Section 16) to Deep River; thence Southwesterly along the center line of Deep River to State Road 51; thence South along the center line of State Road 51 to 33rd Avenue to Montgomery Street (the North-South center line of Section 20); thence North along the center line of Montgomery Street to 31st Avenue; then West along the center line of 31st Avenue to Grand Boulevard; then North along the center line of Grand Boulevard to Riverside Drive; then Northeasterly along the center line of Riverside Drive to Laporte Street; thence North along the center line of Laporte Street to Fairview Avenue; thence Easterly along the center line of Fairview Avenue to State Road 51; thence North along the center line of State Road 51 to Central Avenue; thence East along the center line of Central Avenue to the county line; thence South along the county line to the point of beginning.

(2) Commencing at the Northeast Corner of Section 9-36-7; thence South along the county line to Central Avenue; thence West along the center line of Central Avenue to State Road 51; thence South along the center line of State Road 51 to Fairview Street; thence Westerly along the center line of Fairview Avenue to Laporte Street; thence South along the center line of Laporte Street to Riverside Drive; thence Southwesterly along the center line of Riverside Drive to Grand Boulevard; thence North along the center line of Grand Boulevard to Court Street; thence West along the center line of Court Street to Howard Street; thence Northerly along the center line of Howard Street to the

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Borman Tri-State Highway (I-80 and I-94); thence Westerly along the center line of the Borman Tri-State Highway to the Little Calumet River Bed; thence meandering along the center line of the Little Calumet River Bed first in a Northeasterly direction, then in a Southwesterly direction, then in a Northerly direction to Burns Ditch; thence Westerly along the center line of Burns Ditch to Clay Street; then North along the center line of Clay Street to 15th Avenue; thence East along the center line of 15th Avenue to Gibson Street; thence North along Gibson Street to the Indiana Toll Road; thence Easterly along the North Line of the Indiana Toll Road to Lake Street; thence North along the East Line of Lake Street to the Wabash Railroad; thence East along the Wabash Railroad to the point of beginning.

(3) Commencing at the Southeast corner of Section 18-36-7; thence West along the center line of 29th Avenue to Hancock Street; thence South along the center line of Hancock Street to Deep River; thence Southwesterly along the center line of Deep River to Gibson Street; thence North along the center line of Gibson Street to 29th Avenue; thence West along 29th Avenue, including residences on both the North and South sides of 29th Avenue to Clay Street; thence South along the center line of Clay Street to Liverpool Road; thence Westerly along the center line of Liverpool Road to Benton Street; thence North along the center line of Benton Street to 29th Avenue; thence West along the center line of 29th Avenue to State Street; thence North along the center line of State Street to Marquette Road; thence Easterly along the center line of Marquette Road to Clay Street; thence North along the center line of Clay Street to Burns Ditch; thence Easterly along the center line of Burns Ditch to the Little Calumet River Bed; thence meandering along the center line of the Little Calumet River Bed first in a Southerly direction, then in a Northeasterly direction, and then in a Southerly direction to the Borman Tri-State Highway (I-80 and I-94); then Easterly along the center line of the Borman Tri-State Highway to Howard Street; thence Southerly along the center line of Howard Street to Court Street; thence East along the center line of Court Street to Grand Boulevard; thence South along the center line of Grand Boulevard to the point of beginning.

Sec. 5. To be eligible to be a candidate for the governing body under this chapter, the following apply:

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(1) Each prospective candidate must file a nomination petition with the clerk of the circuit court at least seventy-four (74) days before the primary election at which the members are to be elected that includes the following information:

(A) The name of the prospective candidate.

(B) Whether the prospective candidate is a district candidate or an at-large candidate.

(C) A certification that the prospective candidate meets the qualifications for candidacy imposed under this chapter.

(D) The signatures of at least one hundred (100) registered voters residing in the school corporation.

(2) Each prospective candidate for a district position must:

(A) reside in the district; and

(B) have resided in the district for at least the three (3) years immediately preceding the election.

(3) Each prospective candidate for an at-large position must:

(A) reside in the school corporation; and

(B) have resided in the school corporation for at least the three (3) years immediately preceding the election.

(4) Each prospective candidate (regardless of whether the candidate is a district candidate or an at-large candidate) must:

(A) be a registered voter;

(B) have been a registered voter for at least the three (3) years immediately preceding the election; and

(C) be a high school graduate or have received a:

(i) high school equivalency certificate; or

(ii) state general educational development (GED) diploma under IC 20-20-6.

(5) A prospective candidate may not:

(A) hold any other elective or appointive office; or

(B) have a pecuniary interest in any contract with the school corporation or its governing body;

as prohibited by law.

Sec. 6. (a) With regard to the district positions referred to in section 3(b) of this chapter, the candidate who receives the greatest number of votes of all candidates against whom the candidate runs is elected.

(b) With regard to the at-large positions referred to in section 3(c) of this chapter, the two (2) at-large candidates who receive the greatest number of votes of all at-large candidates are elected.

Sec. 7. The state board, with assistance from the county election

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board, shall establish:

(1) balloting procedures under IC 3 for the election; and

(2) all other procedures required to implement this chapter.

Sec. 8. The term of each person elected to serve on the governing body:

(1) is four (4) years; and

(2) begins the July 1 that next follows the person's election.

Sec. 9. The members are elected as follows:

(1) Three (3) of the members are elected at the primary election to be held in 2008 and every four (4) years thereafter.

(2) Two (2) of the members are elected at the primary election to be held in 2006 and every four (4) years thereafter.

Sec. 10. The governing body shall temporarily fill a vacancy on the governing body as soon as practicable after the vacancy occurs. The member chosen must reside in the same district as the vacating member. A member chosen by the governing body to fill a vacancy holds office for the remainder of the unexpired term.

Chapter 15. Election of Governing Body Members in South Bend

Sec. 1. As used in this chapter, "county" means the county in which the school corporation is located.

Sec. 2. As used in this chapter, "school corporation" means a school corporation that:

(1) is located in a county having a population of:

(A) more than three hundred thousand (300,000) but less than four hundred thousand (400,000); or

(B) more than two hundred thousand (200,000) but less than three hundred thousand (300,000); and

(2) has at least twenty thousand (20,000) students.

Sec. 3. (a) A school corporation shall hold a referendum at the first primary election after this chapter becomes applicable to the school corporation in which the registered voters who reside within the boundaries of the school corporation are entitled to vote as to whether the school corporation shall elect the members of the governing body of the school corporation under sections 6 through 11 of this chapter.

(b) The referendum shall be held under the direction of the county election board, which shall take all steps necessary to carry out the referendum.

(c) However, a referendum is not required in a county in which a referendum under this chapter has been held in a school corporation in that county within twenty-four (24) months of the

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effective date of this act.

Sec. 4. (a) The circuit court clerk of the county shall provide notice of the referendum to the registered voters who reside within the boundaries of the school corporation:

(1) at least one (1) time;

(2) in at least one (1) newspaper of general circulation that is published in the county; and

(3) not earlier than March 15 or later than April 15 of the year in which the referendum is held.

(b) The notice published under subsection (a) must:

(1) state that the referendum is called to afford the registered voters an opportunity to vote on whether members of the governing body will be elected;

(2) state that the referendum will be held at the next primary election to be held on the first Tuesday after the first Monday in May;

(3) state that the referendum will be held on a nonpartisan basis and that all registered voters residing within the boundaries of the (insert the name of school corporation) may vote in the referendum; and

(4) designate that the voting place or places at which the referendum will be held must be those that are:

(A) used for the next primary election; and

(B) located within the boundaries of the (insert the name of school corporation).

(c) The referendum question must be placed on the ballot in the form prescribed by IC 3-10-9-4 and must state:

"Shall the members of the board of school trustees of the (insert the name of school corporation) be elected in the general election from five (5) districts and from two (2) at-large positions in the school corporation?".

Sec. 5. (a) Each precinct election board shall count the affirmative votes and the negative votes cast in the referendum and shall certify those two (2) totals to the county election board.

(b) The clerk of the circuit court of the county shall, immediately after the votes cast in the referendum have been counted, certify the results to the state board.

(c) If a majority of the votes cast in the referendum favors the election of the members of the governing body, sections 6 through 11 of this chapter concerning the manner in which the members of the governing body shall be elected apply.

Sec. 6. (a) The governing body of the school corporation consists

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of seven (7) members who shall be elected:

(1) on a nonpartisan basis; and

(2) in the general election held in the county.

(b) Five (5) of the members shall be elected from the school districts in which the members reside as established under section 7 of this chapter.

(c) Two (2) of the members shall be elected at large.

Sec. 7. The state board shall, before July 1 immediately following the referendum, establish the school districts for the election of the members of the governing body under section 6(b) of this chapter as follows:

(1) The districts shall be drawn on the basis of precinct lines.

(2) The districts must be, as nearly as practicable, of equal population, with the population of the largest district not to exceed the population of the smallest district by more than five percent (5%).

(3) The district lines must not cross precinct lines.

Sec. 8. If a candidate runs for one (1) of the district positions on the governing body, as provided under section 6(b) of this chapter, the following apply:

(1) An individual who runs for one (1) of the district positions on the governing body must reside within that district.

(2) Upon filing an intention to run under this chapter, the candidate must specify that the candidate is running for a district position.

(3) Only eligible voters residing in the candidate's district may vote for the candidate.

(4) The candidate who receives the greatest number of votes of all candidates against whom the candidate runs wins.

Sec. 9. If a candidate runs for one (1) of the at-large positions on the governing body, as provided under section 6(c) of this chapter, the following apply:

(1) An individual who runs for one (1) of the at-large positions on the governing body must reside within the boundaries of the school corporation.

(2) Upon filing an intention to run under this chapter, the candidate must specify that the candidate is running for an at-large position.

(3) Eligible voters from all districts may vote for the candidate.

(4) The two (2) candidates who receive the greatest number of votes win.

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Sec. 10. The state board shall establish:

(1) balloting procedures for the election under the statutes governing elections; and

(2) all other procedures required to implement this chapter.

Sec. 11. (a) Except as otherwise provided in this section, a person elected to serve on the governing body:

(1) begins the person's term on January 1 of the year following the person's election; and

(2) serves a four (4) year term.

(b) The two (2) members of the governing body who were last selected under the selection process in effect for the school corporation before a referendum is held under this chapter shall serve as at-large members through December 31 of the year in which the second general election is held to elect members of the governing body under this chapter. However, if this subsection applies to more than two (2) members, the circuit court judge for the county shall select two (2) of these members to serve as at-large members through December 31 of the year in which the second general election is held to elect members of the governing body under this chapter.

(c) The terms of all other members of the governing body who were selected to serve on the governing body before a referendum is held under this chapter expire December 31 of the year in which the referendum is held.

(d) In the initial general election held to elect members of the governing body under this chapter, five (5) of the members shall be elected by voters from their districts as follows:

(1) Three (3) of the members elected shall serve for four (4) year terms.

(2) Two (2) of the members elected shall serve for two (2) year terms.

(e) In the second general election held to elect members of the governing body under this chapter, four (4) of the members shall be elected as follows:

(1) Two (2) of the members shall be elected by voters from their district and shall serve four (4) year terms.

(2) Two (2) of the members shall be elected at large and shall serve four (4) year terms.

Sec. 12. (a) A vacancy on the governing body must be filled temporarily by the governing body as soon as practicable after the vacancy occurs.

(b) A member chosen by the governing body to fill a vacancy

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holds office for the remainder of the unexpired term and shall be chosen from the same district as the vacating member if the vacating member held a district position.

Chapter 16. School Corporation Organization; Miscellaneous Provisions

Sec. 1. If a united school corporation is created from existing school corporations that are each entirely located in one (1) county, the county committees of the counties in which the school corporations are located shall jointly prepare a plan for the united school corporation. For the purpose of submission to the state board, the plan shall be included in the comprehensive plan of the county that has the largest number of students residing in the proposed united school corporation. If an existing school corporation from which a united school corporation is created contains territory in two (2) or more counties, the county committee of the county containing that part of the school corporation that has the most students shall include the entire corporation in its plan in the absence of a written agreement with the county committee of the adjoining county to the contrary.

Sec. 2. (a) Reorganization plans approved before March 15, 1963, by the state board are void on March 15, 1963, except with respect to any community school corporation where:

(1) any plan has received a majority affirmative vote at an election;

(2) the plan has been certified by the clerk of the circuit court as being petitioned in by fifty-five percent (55%) or more of the registered voters for any such reorganized school corporation and notice has been published by the county committee under sections 1 and 6 of this chapter and IC 20-23-4-11 through IC 20-23-4-17, IC 20-23-4-20 through IC 20-23-4-23, IC 20-23-4-42, and IC 20-23-4-43; or

(3) the plan provides for a school corporation meeting the qualifications for formation of a community school corporation under IC 20-23-4-16.

(b) The county committee and other government officials shall, with respect to any such voided reorganization plan, take all actions necessary for the preparation of a comprehensive plan as if a prior plan had not been submitted, and within the time prescribed by IC 20-23-4-5 through IC 20-23-4-10 and IC 20-23-16-1.

Sec. 3. With respect to a proposed community school corporation formed out of two (2) or more school corporations

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operating a joint high school that has an enrollment of at least six hundred (600) in grades 9 through 12 at the time of the adoption of a preliminary plan adopted under IC 20-23-4-5 through IC 20-23-4-10, IC 20-23-16-1, and IC 20-23-16-2, the preliminary plan or final plan adopted under IC 20-23-4-5 through IC 20-23-4-10, IC 20-23-16-1, and IC 20-23-16-2 may provide for a board of nine (9) members.

Sec. 4. (a) This section applies to each school corporation.

(b) Each governing body created under this chapter may annually levy the amount of taxes that;

(1) in the judgment of the governing body; and

(2) made a matter of record in the minutes;

should be levied to produce income sufficient to conduct and carry on the public schools committed to the governing body.

(c) The governing body shall annually levy a rate that will produce a sum sufficient to meet all payments of principal and interest as they mature in the year for which the levy is made on the:

(1) bonds;

(2) notes; or

(3) other obligations;

of the community school corporation.

(d) The power of the governing body in making tax levies shall be exercised within existing statutory limits. The levies:

(1) are subject to the same review as school city levies; and

(2) shall be at a uniform and equal rate on all taxable property located within the boundaries of the community school corporation.

Sec. 5. School corporations adjacent to rejected segments of proposed reorganized school corporations shall accept on transfer, in the manner required by law, pupils of the rejected school corporation territory.

Sec. 6. If:

(1) a plan has been approved by any county committee or committees and by the state board before March 10, 1961;

(2) the plan provides for election of the members of the board of school trustees of the community or united school corporation; and

(3) the first board of trustees has not yet been selected;

the plan may be amended by the county committee or committees with the approval of the state board without hearing to provide for the selection of the first members in the manner provided in

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IC 20-23-4-31.

Sec. 7. (a) A reorganization plan may provide that the proposed community school corporation or united school corporation shall pay to each:

(1) civil township;

(2) civil city; or

(3) civil town;

located in the corporation that has issued school aid bonds, before the due date of the bonds, amounts sufficient to pay principal and interest on school aid bonds.

(b) As an alternative to subsection (a), a reorganization plan may provide for the payment of outstanding school aid bonds of any of the foregoing civil units by:

(1) the civil townships located in the territory of the community school corporation; or

(2) the united school corporation;

with each civil township paying annually a proportionate share of the cost of the payment of the principal and interest of school aid bonds falling due each year. The proportionate share must be in the proportion that the net assessed valuation of the civil township's taxable property located within the community or united school corporation bears to the total net assessed valuation in the community or united school corporation. The annual amount shall be paid in semiannual installments on June 20 and December 20 of each year to the treasurer of the governing body of the community or united school corporation who shall in turn promptly pay over to the fiscal officer of each civil unit having outstanding school aid bonds an amount sufficient to pay the then next succeeding installment of principal and interest on the bonds.

Sec. 8. (a) If a reorganization plan provides for the payment of school aid bonds as authorized in section 7(a) or section 7(b) of this chapter, a school corporation or civil township that is required to make payments shall include in the corporation's annual budget an amount sufficient to make the payments and to levy a tax for the bonds. For civil townships, the tax may be levied only on the property located within the community or united school corporation (which constitutes a special taxing district), and is in addition to all taxes previously authorized. The levy is reviewable by other bodies with authority to ascertain that the levy is sufficient to raise the amount required to meet the payments.

(b) Payments under this section may not be required before the first June 20 following the first August 1 after the proposed

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community school corporation or united school corporation has come into existence.

Sec. 9. In a community or united school corporation formed before March 11, 1961, the civil townships shall:

(1) make the payments as provided in section 7(b) of this chapter; and

(2) levy taxes as provided in section 8 of this chapter as if the provision had been included in the reorganization plan adopted.

Sec. 10. In a community school corporation formed before or after July 26, 1967, the board of school trustees:

(1) may by resolution provide for making payments to civil townships as provided in section 7(a) of this chapter; and

(2) shall levy taxes as provided in section 8 of this chapter as if the provision had been included in the reorganization plan adopted.

Sec. 11. (a) In a county having a population of more than one hundred seventy thousand (170,000) but less than one hundred eighty thousand (180,000), if, after April 17, 1963:

(1) proceedings have been undertaken in good faith to form a community school corporation by the consolidation of two (2) or more prior established school corporations;

(2) the community school corporation is held, by a final order and decision of a court, to be invalidly formed and nonexistent; and

(3) the order and decision are not subject to further judicial review;

any bonds issued (before the final order and decision of the court) in the name of the community school corporation to provide funds to be applied on the cost of construction and equipment of a school building are not invalid by reason of the final order and decision of the court but constitute the valid and binding obligation of the prior established school corporation in the territory where the school building was or is being constructed, the same as if the bonds had been validly issued in the name of the prior established school corporation.

(b) This section applies only if the bonds at the time of their issuance would have been within the limitation of indebtedness imposed by the Constitution of the State of Indiana on the prior established school corporation.

Sec. 12. (a) Except as otherwise provided with respect to the power to issue bonds under section 13 of this chapter, the

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governing body shall perform the duties and have all the powers vested in the governing body of a school city of the class in which the consolidated school corporation would fall on the basis of its population according to the last preceding United States census under the Indiana statutes if it were organized as a school city.

(b) If a consolidated school corporation has a population of less than two thousand (2,000), the governing body shall:

(1) perform the duties; and

(2) have all the powers vested in the governing body of a school town.

(c) The cost of maintaining consolidated schools shall be borne by the consolidated school corporation as a single taxing unit. Taxes to meet the cost shall be:

(1) levied by the consolidated governing body at a uniform and equal rate on all the taxable property located within the limits of the consolidated school corporation; and

(2) collected in the:

(A) city or cities;

(B) town or towns; and

(C) township or townships;

in the same manner as other taxes are levied and collected.

Sec. 13. (a) When it becomes necessary to:

(1) build a new building or buildings; or

(2) make repairs or alterations on old buildings;

the governing body may build a new building or buildings or repair or alter old buildings and purchase the necessary site for new buildings.

(b) The cost of new buildings or repairs or alterations for old buildings shall be taxed against all taxable property within the corporate limits of the newly consolidated school corporation.

(c) The governing body may issue bonds of the new school corporation against the taxable property within the corporate limits of the newly consolidated school corporation to meet the cost of any new building or buildings or the repair or alteration of old buildings.

(d) Bonds authorized by this chapter shall be payable in amounts and at times the governing body determines and shall bear the rate of interest as may be determined.

(e) The board may levy and collect taxes to meet the payment of any bonds issued under this chapter. The governing body has all of the powers given to school corporations for the purchase of the real estate for school purposes by IC 20-26-7.

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Sec. 14. (a) The governing body of a consolidated school corporation is governed by the Indiana laws in force for transportation of students to consolidated schools.

(b) If a consolidated school is maintained within the corporate limits of a city or town, the governing body shall provide and maintain means of transportation for all students in:

(1) elementary schools; or

(2) high schools; or

(3) both elementary schools and high schools;

that live more than one-half (1/2) mile outside the city or town limit.

(c) If due to:

(1) the condition of roads or streams; or

(2) distance;

it is not advantageous for certain students to be transported to a consolidated school established and maintained under this chapter, the governing body may maintain separate schools and provide schoolhouses for the students affected by the condition of roads or streams or the distance to consolidated schools.

Sec. 15. (a) County school corporations may be formed in any county in either of the following ways:

(1) By majority vote of the township trustees in the county. The township trustees shall hold an officially called public meeting to allow taxpayers of the county to be heard, at least ten (10) days following:

(A) publication of notice of the meeting held within the county stating the date, time, and place of the meeting in accordance with IC 5-3-1; and

(B) adoption of a resolution in which the trustees provide for and approve the creation of a county school corporation.

After the actions in clauses (A) and (B) have been taken, the county school corporation shall be created and come into existence subject to the provisions and under the conditions prescribed in this chapter.

(2) By action of the voters within any county in the following manner:

(A) If a petition requesting a referendum in the township school corporations outside the cities and towns of a county:

(i) on the question of whether the county school corporation shall be created; and

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(ii) signed by a number of registered voters in each school township in the county equal to five percent (5%) of the number of votes cast in that township for the office of secretary of state in the last general election;

is filed in the office of the clerk of the circuit court in the county, the clerk shall call a meeting of the county election board, and the county election board shall provide for the referendum.

(B) If the referendum will not be conducted at a general election or primary election, the proper taxing authorities shall levy and appropriate funds for the referendum.

(C) The referendum shall be held:

(i) at a special election not less than thirty (30) days after publication of notice in accordance with IC 5-3-1; or

(ii) at the next primary or general election after the filing of the petition.

The referendum shall be submitted only to voters of the county residing in the area.

(b) The question shall be placed on the ballot in the form prescribed by IC 3-10-9-4 and must state "Shall the school townships of_____ county be formed into one county school corporation under IC 20-23-7?".

(c) If a majority of those voting on the referendum held under this section vote in the affirmative, a county school corporation shall be created and come into existence subject to the provisions and under the conditions described under this chapter. If a majority of those voting in the referendum vote in the negative, the existing school corporations and government of the school corporations remain unaffected.

Sec. 16. (a) When a county school corporation is created and comes into existence by either of the methods set forth in section 15 of this chapter, the boundaries of the county school corporation must be coterminous with the civil county, and the territories of the county school corporation must include all the territory within the county exclusive of any territory organized under or with a city or town school corporation. A township that at the time of the referendum is:

(1) conducting any of its schools jointly; or

(2) consolidated with any city or town under existing law;

shall continue to conduct the schools in all respects and in the same manner as before the creation of the county school corporation and the remainder of the county schools shall become a part of the

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county school corporation.

(b) The county school corporation shall conduct the educational activities of the county under state law with reference to public education. The control and administration of the schools of the county is vested in a county governing body whose:

(1) composition;

(2) duties;

(3) manner of election; and

(4) powers;

are prescribed in this chapter.

Sec. 17. (a) At the first meeting of the board of commissioners of the county after the creation of a county school corporation as provided in this chapter, the board of commissioners shall divide the school county exclusive of any cities and towns located therein into three (3) board member districts approximately equal in population.

(b) Not more than one (1) year after the effective date of each United States decennial census, the board of county commissioners shall readjust the boundaries of the districts if necessary to equalize the districts by population.

Sec. 18. (a) The:

(1) rights;

(2) powers; and

(3) duties;

of the school corporation are vested in the county governing body, which must consist of five (5) members who have resided in the county for at least two (2) years before taking office.

(b) The members of the governing body shall be appointed or elected as provided in this chapter so that:

(1) there is at least one (1) member from each of the governing body member districts; and

(2) not more than two (2) shall reside in any one (1) district.

Sec. 19. (a) The first county board of education shall be composed of the following five (5) members:

(1) Three (3) persons residing in different governing body member districts elected by the trustees of the townships included in the county school corporation in a meeting called by the county superintendent of schools and held to elect governing body members not more than one (1) week after the establishment of the governing body member districts by the board of commissioners.

(2) Two (2) members appointed by the judge of the circuit

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court from different governing body member districts. Appointments made under this section shall be filed with the clerk of the circuit court not later than the day following the elections and appointments. The members of the county governing body shall serve until successors are elected or appointed and qualified.

(b) The first meeting of the first board of education shall be held not more than one (1) month after the creation of the county school corporation. The meeting shall be called by the county superintendent of schools. At the first meeting the governing body shall organize.

(c) During the first ten (10) days of each succeeding July the governing body shall reorganize by electing a:

(1) president;
(2) vice president;
(3) secretary; and
(4) treasurer.

(d) The secretary of the governing body shall keep an accurate record of the minutes of the governing body. The minutes shall be kept in the county superintendent's office. The county superintendent shall:

(1) act as administrator of the governing body; and
(2) carry out acts and duties as designated by the governing body.

(e) A quorum consists of a majority of the members of the governing body and is required for the transaction of business. The vote of a majority of those present is required for any:

(1) motion;
(2) ordinance; or
(3) resolution;

to pass.

(f) The governing body shall:

(1) conduct its affairs as prescribed for the conduct of county governing bodies;
(2) hold its meetings at:
(A) the office of the county superintendent of schools; or
(B) a place mutually designated by the:
(i) governing body; and
(ii) the superintendent; and
(3) maintain all records and transact all business from a place designated under subdivision (2).

(g) The county governing body may pay each member of the governing body:

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(1) a reasonable per diem for service on the governing body not to exceed one hundred twenty-five dollars ($125) annually; and

(2) mileage from the home of a governing body member to the place of meeting within the county. The mileage rate shall be determined by the county fiscal body.

Sec. 20. The transfer of:

(1) powers;

(2) duties;

(3) property;

(4) property rights;

(5) other assets;

(6) liabilities;

(7) contracts, both as to rights and obligations; and

(8) all else connected with the transfer of authority from existing school corporations to the county school corporation;

shall take place at the time of the first meeting of the first governing body within one (1) month after the creation of the governing body and are vested in the county school corporation at the time of the meeting.

Sec. 21. (a) At the time provided under IC 3-8-2-4 for filing a declaration of candidacy for the primary election following the creation of the county school corporation as provided in this chapter, nominations for members of the governing body of the county school corporation shall be:

(1) made by a petition signed by:

(A) the nominee; and

(B) ten (10) voters of the county residing in the same governing body member district as the nominee; and

(2) filed with the clerk of the circuit court in the county; and

(3) listed:

(A) by governing body member districts on the primary election ballot as prescribed by IC 3-10-1-19; and

(B) without party designation.

(b) Voting and tabulation of votes shall be conducted in the same manner as in primary elections under IC 3-10-1. The candidates elected:

(1) from each governing body member district; and

(2) at large;

are the persons having the greatest number of votes.

(c) If:

(1) in the first election more than two (2) candidates in any

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one (1) governing body member district are among those who received the greatest number of votes; or

(2) in any subsequent election more than one (1) person shall be among those who received the greatest number of votes;

the candidate or candidates respectively receiving the next greatest number of votes in other board member districts respectively shall be declared elected.

(d) If there is a tie vote for any candidates, the judge of the circuit court shall select one (1) of the candidates who shall be declared and certified elected.

(e) If a vacancy occurs on the governing body for any reason, including the failure of the sufficient number of petitions for candidates being filed, the judge of the circuit court shall fill the vacancy by appointing a person from the respective governing body member district or districts to serve for the term or balance of terms.

(f) At the first primary election in which members of the county board of education are elected, the:

(1) three (3) candidates who receive the highest number of votes in each of the board member districts shall be elected for four (4) year terms; and

(2) two (2) candidates from different districts receiving the next highest number of votes respectively shall be elected for two (2) year terms.

(g) All candidates for membership on the county governing body shall:

(1) be voted upon by the voters in the county school corporation district only;

(2) be elected for four (4) year terms after the first election; and

(3) take office and assume their duties one (1) week after election.

Sec. 22. (a) The county governing body shall appoint a county superintendent of schools who shall serve under contract in the same manner and under the same laws that govern the employment and service of other licensed school personnel.

(b) The salary and expense allowance of the superintendent shall be fixed by the governing body.

(c) The original contract of the superintendent must be for a term of from three (3) to five (5) years. The superintendent may be elected for succeeding terms of from three (3) to five (5) years.

(d) Appointments to fill a vacancy in the position of county

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superintendent of schools:

(1) may be made at any time; and

(2) shall be so made as to coincide with this chapter.

(e) The governing body shall:

(1) act upon the recommendations of the county superintendent of schools; and

(2) make all other decisions and perform all other duties that fall within the general framework of the laws of Indiana.

(f) The county superintendent shall serve as county superintendent for the balance of the term for which the superintendent was last elected or appointed at the same salary. The salary shall be paid from the source specified in the contract between the governing body and the superintendent unless by action of the county governing body of the county school corporation the superintendent's salary shall be increased.

(g) At the expiration of the contract between the superintendent and the governing body or, if the superintendent dies or resigns, appointment and salary of the county superintendent of schools shall be:

(1) made;

(2) set; and

(3) paid;

as provided in this chapter.

Sec. 23. The duties of the county superintendent of schools include:

(1) Acting as general administrator of the school corporation.

(2) Making recommendations to the governing body concerning:

(A) the conduct of the schools;

(B) the employment and dismissal of personnel;

(C) the purchase of supplies;

(D) the construction of buildings; and

(E) all other matters pertaining to the conduct of the schools within the framework of the school laws of this state.

(3) Attending all meetings of the governing body except when the superintendent's reappointment is under consideration.

(4) Carrying out the orders of the governing body.

(5) Making all other decisions and performing all other duties that are prescribed by law or that fall within the superintendent's proper and logical jurisdiction.

Sec. 24. (a) The governing body shall:

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(1) make decisions pertaining to the general conduct of the schools, which shall be enforced as recorded in the minutes prepared by the secretary of the governing body; and

(2) subject to provisions in this chapter, shall exercise all powers previously exercised:

(A) under the law:

(i) by or through township trustees;

(ii) meetings; or

(iii) petitions of the township trustees of the county or county boards of education;

previously existing.

(b) The duties of the:

(1) township trustee;

(2) county board; and

(3) county boards of education;

insofar as the conduct of public schools is concerned are abolished as of noon on the day the county school corporation is created and comes into existence under this chapter.

(c) The county superintendent of schools and other persons employed for administrative or supervisory duties are supervisors of instruction.

(d) The government of the common schools of the county is vested in the governing body. The governing body shall function with all the authority, powers, privileges, duties, and obligations previously granted to or required of school cities and their governing bodies generally under the laws concerning the:

(1) purchase of supplies;

(2) purchase and sale of:

(A) buildings;

(B) grounds; and

(C) equipment;

(3) erection of buildings;

(4) employment and dismissal of school personnel;

(5) insuring of property and employees;

(6) levying and collecting of taxes;

(7) making and execution of a budget;

(8) borrowing of money; and

(9) payment of the salaries and expenses of the county superintendent and employees as approved by the governing body.

(e) The school corporation is a body corporate and politic by the name and style of "The County School Corporation of _____

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County, Indiana" with the right to prosecute and defend suits and shall act in any manner necessary to the proper administration of the common schools of the county.

(f) School corporations shall be vested with all rights, titles, and interests of the respective predecessor township and town school corporations terminated in all the:

(1) real;

(2) personal; and

(3) other property of any nature;

from whatever source derived.

(g) School corporations shall assume, pay, and be liable for all the:

(1) indebtedness;

(2) obligations;

(3) liabilities; and

(4) duties;

of the predecessor corporations from whatever source derived and however arising.

(h) School corporations shall institute and defend suits arising out of:

(1) liabilities;

(2) obligations;

(3) duties; and

(4) rights;

assumed under this section as a county school corporation.

(i) The treasurer, before entering upon the duties of office, shall execute a bond to the acceptance of the county auditor in an amount equal to the largest sum of money that will be in the possession of the treasurer at any one time, conditioned as an ordinary official bond, with a reliable surety company or at least two (2) sufficient freehold sureties, who may not be members of the governing body as surety or sureties on the bond.

(j) The president and the secretary shall each give bond, with like surety or sureties, to be approved by the county auditor, in the sum of one-fourth (1/4) of the amount of the bond of the treasurer under subsection (i).

(k) Governing bodies may purchase bonds from a reliable surety company and pay for them out of the special school revenue of their counties.

(l) The powers in this section shall not be considered as limiting or construed to limit the power and authority of a governing body to the powers expressly conferred or to restrict or modify any

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powers or authority granted by any other law not in conflict with this section.

(m) Every governing body may annually levy taxes necessary to produce income sufficient to conduct and carry on the common schools committed to the governing body. The levy must be a matter of record in the minutes of the governing body. The governing body shall annually levy a rate and levy that will produce a sum sufficient to meet all payments of principal and interest as they will mature in the year for which the levy is made on the:

(1) bonds;

(2) notes; or

(3) other obligations;

of the governing body. The power of the governing body in making tax levies shall be exercised within existing statutory limits. The levies are subject to the same review as school city levies.

Sec. 25. A metropolitan superintendent of schools shall:

(1) act as the general administrator of the metropolitan school district; and

(2) make recommendations to the board concerning:

(A) the conduct of the schools;

(B) the employment and dismissal of personnel;

(C) the purchase of supplies;

(D) the construction of buildings; and

(E) other matters pertaining to the conduct of the school within the framework of the school laws of this state;

(3) attend meetings of the board except when the superintendent's reappointment is under consideration;

(4) carry out the orders of the board; and

(5) make other decisions and perform other duties that are prescribed by law.

Sec. 26. (a) A metropolitan board of education shall:

(1) make decisions pertaining to the general conduct of the schools, and these decisions shall be enforced and entered into the minutes recorded by the secretary of the board; and

(2) exercise powers previously exercised under the law, by or through:

(A) township trustees;

(B) meetings or petitions of the township trustees of the county; and

(C) county boards of education previously existing.

The offices of township trustee or county board or county boards

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of education as far as the conduct of public schools is concerned are abolished as of noon on the day the metropolitan school district is created and comes into existence.

(b) The metropolitan superintendent of schools and other persons employed for administrative or supervisory duties may be considered to be supervisors of instruction and are eligible, subject to the rules adopted by the state board, to qualify for teaching units in accordance with law.

(c) The government of the common schools of a district is vested in the board. The board shall function with the authority, powers, privileges, duties, and obligations previously granted to or required of school cities and their governing boards regarding the:

(1) purchase of supplies;
(2) purchase and sale of:
(A) buildings;
(B) grounds; and
(C) equipment;
(3) erection of buildings;
(4) employment and dismissal of school personnel;
(5) insuring property and employees;
(6) levying and collecting of taxes;
(7) making and executing of a budget;
(8) borrowing money; and
(9) paying the salaries and expenses of the:
(A) county superintendent; and
(B) employees;

as approved by the board.

(d) A board is a body corporate and politic by the name and style of "The Metropolitan School District of _____, Indiana" with the right to prosecute and defend suits and shall act as necessary to the proper administration of the common schools of the county.

(e) The school district shall:

(1) be vested with rights, titles, and interests of the district's predecessor township or town school corporations;
(2) assume, pay, and be liable for the:
(A) indebtedness;
(B) obligations;
(C) liabilities; and
(D) duties;

of the predecessor corporations from whatever source derived; and

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(3) institute and defend suits arising out of the school district's:

(A) liabilities;

(B) obligations;

(C) duties; and

(D) rights;

assumed by a metropolitan school district.

(f) The treasurer, before entering upon the duties of the office, shall execute a bond to the acceptance of the county auditor. The bond may not be greater than the largest sum of money that will be in the possession of the treasurer at any one (1) time. The board of education may purchase the bond from a reliable surety company and pay for it out of the special school revenue of the metropolitan district.

(g) The powers set forth in this section shall not be considered as or construed to:

(1) limit the power and authority of a school board; or

(2) restrict or modify powers or authority granted by another law not in conflict with the provisions of this section.

(h) A board may annually levy taxes, and the decision to levy taxes shall be recorded in the board's minutes. Taxes should be levied to produce income sufficient to conduct the common schools committed to the board. A board shall annually levy a rate that will produce a sum sufficient to meet payments of principal and interest that will mature in the year that the levy is made on the bonds, notes, or other obligations of the board. The power of a board in making tax levies shall be exercised within statutory limits and levies are subject to the same review as school city levies.

Sec. 27. The boards of education of a county or metropolitan school district created under this chapter may levy and collect taxes to operate the schools of the district in the same manner and with the same supervision that taxes are levied and collected by cities and towns.

Sec. 28. A county school corporation or metropolitan school district formed or operating under Acts 1949, c.227, on March 13, 1959, shall, after that date, be governed, have the powers, and operate in accordance with the provisions of this chapter in the same manner as though it had been formed in accordance with this chapter.

Sec. 29. The following definitions apply throughout this chapter:

(1) "Acquiring school corporation" means the school corporation that acquires territory as a result of an

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annexation by a city or town.

(2) "Annex", "annexing", or "annexation" means an act of a city or town, including but not limited to:

(A) annexation;

(B) incorporation of the city or town; and

(C) formation in a city or town of a city or town school corporation, if territory is acquired by one (1) school corporation from another school corporation.

(3) "Annexed territory" means the territory acquired from an original school corporation as a result of annexation by a city or town.

(4) "Depreciated replacement cost" of a building means the then cost of replacing the building with a comparable building built by then current methods and designs and providing the same general facilities, reduced by the sum of the following amounts:

(A) that part of the replacement cost that is equal to that part of the useful life of the building that has expired at that time; plus

(B) the additional amount that is necessary to reflect an obsolescence or damage that is not reasonably made by the reduction specified in clause (A).

(5) "Indebtedness of an original school corporation" means indebtedness on account of unpaid bonds of the original school corporation or its predecessors in interest.

(6) "Original school corporation" means a school corporation that loses territory to an acquiring school corporation by annexation.

(7) "Real property" means land, buildings, and interests in real estate located in the annexed territory and owned by the original school corporation at the time of annexation.

Sec. 30. (a) If a city or town annexes territory where real property of the original school corporation is located at the time of the annexation, the real property shall become the property of the acquiring school corporation. The acquiring school corporation shall make the payments provided by this section.

(b) If the original school corporation is indebted at the time of annexation for the acquisition or construction of real property, the acquiring school corporation shall assume and pay installments of principal and interest that fall due on the indebtedness after the end of the last calendar year that the original school corporation is entitled to receive current tax receipts from property tax levies

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on the property in the annexed territory.

(c) The acquiring school corporation shall make payments to the original school corporation as the agent for payment to the holders of the indebtedness. Indebtedness must include the proceeds that were spent for:

(1) the costs of acquisition or construction of the real property;

(2) the architects' fees;

(3) the attorney's fees;

(4) other costs attributable to the acquisition or construction; and

(5) the issuance or securing of indebtedness.

(d) The acquiring school corporation shall pay to the original school corporation the present value of the real property, less the principal amount of the indebtedness at the time of annexation.

(e) The present value of land that is a part of the real property means the present market value of the land.

(f) The present value of a building that is a part of the real property means the depreciated replacement cost of the building.

(g) A majority vote of three (3) appraisers shall determine the present value of the real property. The appraisers must include:

(1) one (1) appraiser to be selected by the governing body of the original school corporation;

(2) one (1) appraiser to be selected by the governing body of the acquiring school corporation; and

(3) one (1) appraiser chosen by the appraisers selected under subdivisions (1) and (2).

If the appraisers fail to agree upon an appraiser under subdivision (3), the judge of the circuit court in the county where the real property to be appraised is located upon a motion of either school corporation shall appoint the third appraiser.

(h) On payment by the acquiring school corporation of the present value of the real property less indebtedness, the acquiring school corporation is entitled to a deed for the real property from the original school corporation.

Sec. 31. (a) If:

(1) a city or town annexes territory; and

(2) the original school corporation at the time of annexation has outstanding indebtedness, other than the indebtedness to be paid by the acquiring school corporation under section 30 of this chapter;

the city or town shall assume and pay the original school

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corporation's indebtedness and part of the installments of principal and interest due on the indebtedness after the end of the last calendar year that the original school corporation is entitled to receive current tax receipts from property tax levies on the property in the annexed territory.

(b) The proportion must be the same proportion as the valuation of the real property in the annexed territory bears to the valuation of the real property in the original school corporation, as the real property is assessed for general taxation immediately before the annexation. The payments shall be made to the original school corporation as the agent for payment to the holders of the indebtedness.

Sec. 32. Annexation of territory by a city or town is not effective if, as a result of the annexation, the liability of the city or town or of the acquiring school corporation will cause the entire indebtedness of the city or town or of the acquiring school corporation to exceed the constitutional limitation.

Sec. 33. This chapter may not be construed to permit or prohibit an annexation, except as provided in section 32 of this chapter, or to determine whether or to what extent an action by a city or town shall cause territory in an original school corporation to be acquired by another school corporation.

Sec. 34. This chapter applies to all annexations. The rights, privileges, or duties from the benefit of or imposed upon a municipal corporation on or after March 9, 1959, arising on account of an annexation occurring before March 9, 1959, shall remain unimpaired and shall be exercised and enforced as if the following statutes had not been repealed:

Acts 1893, c.109, s.1
Acts 1919, c.84
Acts 1927, c.219
Acts 1935, c.158.

Sec. 35. The following definitions apply in this section and sections 36 through 40 of this chapter:

(1) "Annexed territory" means the territory annexed from an original school corporation by a city or town.

(2) "Annexing school corporation" means the school corporation of a city or town that annexes territory.

(3) "City" or "town" means a city or town that conducts its school as a school city, school town, or as part of a consolidated or metropolitan school corporation.

(4) "Original school corporation" means a school corporation

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from whom territory is annexed.

(5) "Tax receipts" means the amounts received from the tax levy for the tuition and special school funds by the original school corporation from the annexed territory.

Sec. 36. If a city or town has:

(1) annexed territory from an original school corporation; and

(2) assumed the responsibility for providing educational facilities for the school age children residing in the annexed territory before the end of the calendar year when the annexation occurs;

the auditor or auditors of the county or counties where the annexed territory is located shall pay to the treasurer of the annexing school corporation a proportion of the tax receipts payable in the year equal to the number of months and any major fraction of a month, excluding in the calculation any time falling within the summer recess, during which the annexing school corporation provides the educational facilities divided by nine (9).

Sec. 37. If a city or town has:

(1) annexed territory from an original school corporation after March 1 of a calendar year; and

(2) assumed the responsibility for providing educational facilities for the school age children residing in the annexed territory during the calendar year following the year when the annexation occurs;

the auditor or auditors of the county or counties where the annexed territory is located shall pay to the treasurer of the annexing school corporation a proportion of the tax receipts payable in the following calendar year equal to the number of months and any major fraction of a month, excluding in the calculation any time falling within the summer recess, when the annexing school corporation provides the educational facilities during the following calendar year divided by nine (9).

Sec. 38. If the annexing school corporation assumed the responsibility for providing educational facilities for only a part of the school age children residing in the annexed territory during a period, the school corporation shall receive a proportion of the amounts to be received by it under sections 36 and 37 of this chapter during the period, equal to the proportion of the children that the school corporation is responsible for compared to the total number of children in the annexed territory.

Sec. 39. (a) The governing bodies of the annexing and original

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school corporations may mutually agree upon a date that the annexing school corporation shall assume responsibility for providing facilities for all or a part of the school age children residing in the annexed territory, and payment provided in sections 36, 37, and 38 of this chapter may not be made until the annexing school corporation has assumed responsibility for providing educational facilities.

(b) In the absence of an agreement described in subsection (a), the annexing school corporation shall assume responsibility for providing educational facilities on the first day of July succeeding the annexation. The payment under this chapter to the annexing school corporation, on account of taxes collected in the name of the original school corporation for a calendar year, may not exceed the amount that would be due from the original school corporation to the annexing school corporation for transfer tuition for the part of the year that the children from the annexed territory were educated by the annexing school corporation, had the children still been residents during the time of the original school corporation.

(c) The amount of transfer tuition in subsection (b) shall be computed on the basis of the per capita cost of maintaining the school or schools of the annexing school corporation for the school year ending within the calendar year that tax receipts are to be paid to the annexing school corporation. The per capita cost shall be determined in the manner provided by Indiana law governing the computation of transfer tuition costs.

Sec. 40. This chapter does not apply to an annexation by a city or town in a county having a population of more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000). Sections 35 through 39 of this chapter do not require the transfer of territory from one (1) school corporation to another in the county, as a result of an annexation by a city or town in the county.

Sec. 41. (a) School boards, boards of school trustees, boards of school commissioners, and school township trustees may hire and fix the salaries for clerical personnel as necessary to assist principals of schools in which at least twelve (12) teachers are employed.

(b) The board or trustees that hire personnel under subsection (a) may pay the salaries of the personnel out of the special school funds belonging to their respective school corporations in the manner provided by law for the payment of other school expenses.

SECTION 8. IC 20-24 IS ADDED TO THE INDIANA CODE AS

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A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

ARTICLE 24. CHARTER SCHOOLS

Chapter 1. Definitions

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

Sec. 2. "ADM of the previous year" or "ADM of the prior year" has the meaning set forth in IC 21-3-1.6-1.1(m).

Sec. 3. "Charter" means a contract between an organizer and a sponsor for the establishment of a charter school.

Sec. 4. "Charter school" means a public elementary school or secondary school established under this article that:

(1) is nonsectarian and nonreligious; and

(2) operates under a charter.

Sec. 5. "Conversion charter school" means a charter school established under IC 20-24-11 by the conversion of an existing school into a charter school. The term includes a new school to which students from other schools in the school corporation are assigned or transferred.

Sec. 6. "Current ADM" has the meaning set forth in IC 21-3-1.6-1.1(n).

Sec. 7. "Organizer" means a group or an entity that:

(1) has been determined by the Internal Revenue Service to be operating under nonprofit status or has applied for such determination; and

(2) enters into a contract under this article to operate a charter school.

Sec. 8. "Proposal" refers to a proposal from an organizer to establish a charter school.

Sec. 9. "Sponsor" means, for a charter school, one (1) of the following:

(1) A governing body.

(2) A state educational institution (as defined in IC 20-12-0.5-1) that offers a four (4) year baccalaureate degree.

(3) The executive (as defined in IC 36-1-2-5) of a consolidated city.

Chapter 2. Charter Schools Generally

Sec. 1. A charter school may be established under this article to provide innovative and autonomous programs that do the following:

(1) Serve the different learning styles and needs of public

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school students.

(2) Offer public school students appropriate and innovative choices.

(3) Provide varied opportunities for professional educators.

(4) Allow public schools freedom and flexibility in exchange for exceptional levels of accountability.

(5) Provide parents, students, community members, and local entities with an expanded opportunity for involvement in the public school system.

Sec. 2. A charter school is subject to all federal and state laws and constitutional provisions that prohibit discrimination on the basis of the following:

(1) Disability.

(2) Race.

(3) Color.

(4) Gender.

(5) National origin.

(6) Religion.

(7) Ancestry.

Chapter 3. Establishment of Charter Schools

Sec. 1. A sponsor may grant a charter to an organizer to operate a charter school under this article.

Sec. 2. A sponsor may not grant a charter to a for-profit organizer.

Sec. 3. The organizer's constitution, charter, articles, or bylaws must contain a clause providing that upon dissolution:

(1) all remaining assets, except funds specified in subdivision (2), shall be used for nonprofit educational purposes; and

(2) remaining funds received from the department shall be returned to the department not more than thirty (30) days after dissolution.

Sec. 4. (a) An organizer may submit to the sponsor a proposal to establish a charter school.

(b) A proposal must contain at least the following information:

(1) Identification of the organizer.

(2) A description of the organizer's organizational structure and governance plan.

(3) The following information for the proposed charter school:

(A) Name.

(B) Purposes.

(C) Governance structure.

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(D) Management structure.
(E) Educational mission goals.
(F) Curriculum and instructional methods.
(G) Methods of pupil assessment.
(H) Admission policy and criteria, subject to IC 20-24-5.
(I) School calendar.
(J) Age or grade range of students to be enrolled.
(K) A description of staff responsibilities.
(L) A description and the address of the physical plant.
(M) Budget and financial plans.
(N) Personnel plan, including methods for selection, retention, and compensation of employees.
(O) Transportation plan.
(P) Discipline program.
(Q) Plan for compliance with any applicable desegregation order.
(R) The date when the charter school is expected to:
(i) begin school operations; and
(ii) have students attending the charter school.
(S) The arrangement for providing teachers and other staff with health insurance, retirement benefits, liability insurance, and other benefits.

(4) The manner in which the sponsor must conduct an annual audit of the program operations of the charter school.

(c) This section does not waive, limit, or modify the provisions of:

(1) IC 20-29 in a charter school where the teachers have chosen to organize under IC 20-29; or

(2) an existing collective bargaining agreement for noncertificated employees (as defined in IC 20-29-2-11).

Sec. 5. (a) This section applies only to a sponsor that is the executive of a consolidated city.

(b) Before issuing a charter, the sponsor must receive the approval of a majority of the members of the legislative body (as defined in IC 36-1-2-9) of the consolidated city for the establishment of a charter school. The sponsor may issue charters for charter schools located in the consolidated city.

Sec. 6. (a) Except as provided in subsection (b), if a governing body grants a charter to establish a charter school, the governing body must provide a noncharter school that students of the same age or grade levels may attend.

(b) The department may waive the requirement that a

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governing body provide a noncharter school under subsection (a) upon the request of the governing body.

Sec. 7. The sponsor may revoke the charter of a charter school that does not, by the date specified in the charter:

(1) begin school operations; and

(2) have students attending the charter school.

Sec. 8. Before granting a charter under which more than fifty percent (50%) of the students in a school corporation will attend a charter school, the governing body of the school corporation must receive the approval of the department.

Sec. 9. A sponsor must notify an organizer that submits a proposal under section 4 of this chapter of the:

(1) acceptance of the proposal; or

(2) rejection of the proposal;

not later than sixty (60) days after the organizer submits the proposal.

Sec. 10. (a) A sponsor must notify the department of the following:

(1) Receipt of a proposal.

(2) Acceptance of a proposal.

(3) Rejection of a proposal, including the reasons for the rejection.

(b) The department shall annually do the following:

(1) Compile the information received under subsection (a) into a report.

(2) Submit the report in an electronic format under IC 5-14-6 to the legislative council.

Sec. 11. If a sponsor rejects a charter school proposal, the organizer may:

(1) amend the charter school proposal and resubmit the proposal to the same sponsor;

(2) submit a charter school proposal to another sponsor; or

(3) appeal the decision to the charter school review panel established by section 12 of this chapter.

Sec. 12. (a) This section applies if the sponsor rejects a proposal.

(b) The organizer may appeal the decision of the sponsor to the charter school review panel established by subsection (c).

(c) The charter school review panel is established. The members of the panel are as follows:

(1) The governor or the governor's designee.

(2) The state superintendent, who shall chair the panel.

(3) A member of the state board appointed by the state

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superintendent.

(4) A person with financial management experience appointed by the governor.

(5) A community leader with knowledge of charter school issues appointed jointly by the governor and the state superintendent.

A member shall serve a two (2) year term and may be reappointed to the panel upon expiration of the member's term.

(d) All decisions of the panel shall be determined by a majority vote of the panel's members.

(e) Upon the request of an organizer, the panel shall meet to consider the organizer's proposal and the sponsor's reasons for rejecting the proposal. The panel must allow the organizer and sponsor to participate in the meeting.

(f) After the panel meets under subsection (e), the panel shall make one (1) of the following findings and issue the finding to the organizer and the sponsor:

(1) A finding that supports the sponsor's rejection of the proposal.

(2) A finding that:

(A) recommends that the organizer amend the proposal; and

(B) specifies the changes to be made in the proposal if the organizer elects to amend the proposal.

(3) A finding that approves the proposal.

The panel shall issue the finding not later than forty-five (45) days after the panel receives the request for review.

(g) If the panel makes a finding described in subsection (f)(1), the finding is final.

(h) If the panel makes a finding described in subsection (f)(2), the organizer may amend the proposal according to the panel's recommendations and resubmit the proposal directly to the panel.

(i) If the panel makes a finding described in subsection (f)(3), the proposal is considered conditionally approved. The approval shall be considered final upon delivery to the panel of written notice from the organizer and an eligible sponsor that the sponsor has agreed to serve as a sponsor for the proposal approved by the panel.

(j) Proposals approved under this section shall not be counted under any numerical limits placed upon a sponsor or set of sponsors.

Sec. 13. (a) The department shall monitor the number of charter

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schools approved by universities.

(b) Not more than six (6) months after twenty (20) charter schools have been approved by universities, the department shall issue a report to the charter school review panel identifying:

(1) the purpose and organization of all charter schools sponsored by universities;

(2) the procedure by which charter schools have been approved and monitored by university sponsors; and

(3) recommendations regarding the future of university sponsorships.

(c) The report issued under subsection (b) shall be submitted in an electronic format under IC 5-14-6 to the legislative council.

Sec. 14. (a) This section applies to university sponsors.

(b) Except as provided in subsection (c), the ultimate responsibility for choosing to sponsor a charter school and responsibilities for maintaining sponsorship rest with the university's board of trustees.

(c) The university's board of trustees may vote to assign sponsorship authority and sponsorship responsibilities to another person or entity that functions under the direction of the university's board. A decision made under this subsection shall be communicated in writing to the department and the charter school review panel.

(d) Before a university may sponsor a charter school, the university must conduct a public meeting with public notice in the county where the charter school will be located.

Sec. 15. (a) This section applies to charter schools sponsored by the mayor of a consolidated city.

(b) The number of charter schools may not be more than five (5) during the 2001 calendar year.

(c) During each year after calendar year 2001, the maximum number of charter schools is increased by five (5).

(d) The limits resulting from subsections (b) and (c) are cumulative from year to year. However, there may not be any accumulation during the period beginning January 1, 2003, and ending December 31, 2005.

Sec. 16. An entity or multiple divisions of the same entity may not serve simultaneously as both the organizer and the sponsor of the same charter school.

Chapter 4. The Charter

Sec. 1. A charter must meet the following requirements:

(1) Be a written instrument.

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(2) Be executed by a sponsor and an organizer.

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

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

(5) Be granted for:

(A) not less than three (3) years; and

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

(6) Provide for:

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

(B) renewal, if the sponsor and the organizer agree to renew the charter.

(7) Specify the grounds for the sponsor to:

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

(B) not renew a charter.

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

(A) Evidence of improvement in:

(i) assessment measures, including the ISTEP program and the graduation examination;

(ii) attendance rates;

(iii) graduation rates (if appropriate);

(iv) increased numbers of Core 40 diplomas (if appropriate); and

(v) increased numbers of academic honors diplomas (if appropriate).

(B) Evidence of progress toward reaching the educational goals set by the organizer.

(9) Describe the method to be used to monitor the charter school's:

(A) compliance with applicable law; and

(B) performance in meeting targeted educational performance.

(10) Specify that the sponsor and the organizer may amend the charter during the term of the charter by mutual consent and describe the process for amending the charter.

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(11) Describe specific operating requirements, including all the matters set forth in the application for the charter.

(12) Specify a date when the charter school will:

(A) begin school operations; and

(B) have students attending the charter school.

(13) Specify that records of a charter school relating to the school's operation and charter are subject to inspection and copying to the same extent that records of a public school are subject to inspection and copying under IC 5-14-3.

(14) Specify that records provided by the charter school to the department or sponsor that relate to compliance by the organizer with the terms of the charter or applicable state or federal laws are subject to inspection and copying in accordance with IC 5-14-3.

(15) Specify that the charter school is subject to the requirements of IC 5-14-1.5.

Chapter 5. Student Admissions and Enrollment

Sec. 1. Except as provided in this chapter, a charter school that is not a conversion charter school must be open to any student who resides in Indiana.

Sec. 2. (a) A student may attend a charter school outside the district in which the student resides if the student's parent determines that an academic program at the charter school would enhance the student's academic opportunities.

(b) If the governing body of the school corporation in which the student resides determines that a transfer would not improve the student's academic opportunities, the governing body may appeal to the state board. Not later than forty-five (45) days after receiving the appeal, the state board shall conduct a hearing and decide whether to uphold or reverse the parent's decision to enroll the student in the charter school.

(c) During the state board's consideration, the parents of the student may testify, but the governing body has the burden of proof for demonstrating that the charter school does not provide additional or unique academic opportunities that exceed those available at the school corporation.

Sec. 3. Except as provided in this chapter, a conversion charter school must be open to any student residing in the local school corporation. By joint agreement of the sponsor and organizer, a conversion charter school may enroll students residing outside the local school corporation.

Sec. 4. Except as provided in this chapter, a charter school may

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not establish admission policies or limit student admissions in any manner in which a public school is not permitted to establish admission policies or limit student admissions.

Sec. 5. (a) Except as provided in subsections (b), (c), and (d), a charter school must enroll any eligible student who submits a timely application for enrollment.

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

(c) A charter school may limit new admissions to the charter school to:

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

(2) allow the siblings of a student who attends a charter school to attend the charter school.

(d) This subsection applies to an existing school that converts to a charter school under IC 20-24-11. During the school year in which the existing school converts to a charter school, the charter school may limit admission to:

(1) those students who were enrolled in the charter school on the date of the conversion; and

(2) siblings of students described in subdivision (1).

Chapter 6. Employment of Teachers and Other Personnel; Collective Bargaining

Sec. 1. (a) Except as provided in subsection (b), individuals who work at a charter school are employees of the charter school or of an entity with which the charter school has contracted to provide services.

(b) Teachers in a conversion charter school are employees of both the charter school and the school corporation that sponsored the charter school. For purposes of the collective bargaining agreement, conversion charter school teachers are considered employees of the school corporation that sponsored the charter school.

(c) All benefits accrued by teachers as employees of the conversion charter school are the financial responsibility of the conversion charter school. The conversion charter school shall pay those benefits directly or reimburse the school corporation for the

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cost of the benefits.

(d) All benefits accrued by a teacher during the time the teacher was an employee only of the school corporation that sponsored the charter school are the financial responsibility of the school corporation. The school corporation shall pay those benefits directly or reimburse the conversion charter school for the cost of the benefits.

(e) For any other purpose not otherwise stated in this section, a teacher is an employee of the charter school.

Sec. 2. Individuals must choose to be teachers at a charter school voluntarily, and a charter school must voluntarily choose those individuals to be its teachers.

Sec. 3. Employees of a charter school may organize and bargain collectively under IC 20-29.

Sec. 4. (a) This section applies to a conversion charter school.

(b) After the conversion, the teachers in a conversion charter school remain part of the bargaining unit of the sponsor and are subject to all the provisions of the collective bargaining agreement.

(c) The governing body, the equivalent body of the conversion charter school, and the exclusive representative may by mutual agreement grant a waiver of a specific provision of the collective bargaining agreement.

(d) Noncertificated employees (as defined in IC 20-29-2-11) remain in existing bargaining units and are covered under existing collective bargaining agreements.

Sec. 5. (a) An individual who teaches in a charter school must either:

(1) hold a license to teach in a public school in Indiana under IC 20-28-5; or

(2) be in the process of obtaining a license to teach in a public school in Indiana under the transition to teaching program established by IC 20-28-4-2.

(b) An individual described in subsection (a)(2) must complete the transition to teaching program not later than three (3) years after beginning to teach at a charter school.

(c) An individual who provides to students in a charter school a service:

(1) that is not teaching; and

(2) for which a license is required under Indiana law;

must have the appropriate license to provide the service in Indiana.

Sec. 6. A charter school may employ a substitute teacher or an individual who holds a limited license to teach in the same manner

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in which a noncharter public school may employ a substitute teacher or an individual who holds a limited license to teach.

Sec. 7. (a) A charter school shall participate in the following:

(1) The Indiana state teachers' retirement fund in accordance with IC 21-6.1.

(2) The public employees' retirement fund in accordance with IC 5-10.3.

(b) A person who teaches in a charter school is a member of the Indiana state teachers' retirement fund. Service in a charter school is creditable service for purposes of IC 21-6.1.

(c) A person who:

(1) is a local school employee of a charter school; and

(2) is not eligible to participate in the Indiana state teachers' retirement fund;

is a member of the public employees' retirement fund.

(d) The boards of the Indiana state teachers' retirement fund and the public employees' retirement fund shall implement this section through the organizer of the charter school, subject to and conditioned upon receiving any approvals either board considers appropriate from the Internal Revenue Service and the United States Department of Labor.

Sec. 8. The decision by a sponsor whether to grant a charter is not subject to restraint by a collective bargaining agreement.

Sec. 9. If a school corporation grants a charter to a charter school and individuals choose and are chosen by the charter school to teach in the charter school, the school corporation may make personnel adjustments among its noncharter school teachers that the school corporation believes are necessary or appropriate to match existing resources with existing needs in its noncharter schools. If, as part of the adjustments, the school corporation eliminates a teaching position within the corporation, the legal or contractual provisions, if any, that otherwise apply to the teacher in one (1) of the noncharter schools whose contract with the school corporation is canceled as a result of the elimination of the position within the school corporation continue to apply to that teacher.

Sec. 10. (a) The governing body:

(1) must grant a transfer of not more than two (2) years; and

(2) may grant a transfer for a period in addition to the period required in subdivision (1);

to a teacher of a noncharter school in the school corporation who wishes to teach and has been accepted to teach at a nonconversion charter school.

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(b) During the term of the transfer under subsection (a):

(1) the teacher's seniority status under law continues as if the teacher were an employee of a noncharter school in the school corporation; and

(2) the teacher's years as a charter school employee shall not be considered for purposes of permanent or semipermanent status with the school corporation under IC 20-28-6, IC 20-28-7, or IC 20-28-8.

Chapter 7. Fiscal Matters

Sec. 1. (a) The organizer is the fiscal agent for the charter school.

(b) The organizer has exclusive control of:

(1) funds received by the charter school; and

(2) financial matters of the charter school.

(c) The organizer shall maintain separate accountings of all funds received and disbursed by the charter school.

Sec. 2. (a) Not later than the date established by the department for determining average daily membership, and after May 31 each year, the organizer shall submit to the department the following information on a form prescribed by the department:

(1) The number of students enrolled in the charter school.

(2) The name and address of each student.

(3) The name of the school corporation in which the student has legal settlement.

(4) The name of the school corporation, if any, that the student attended during the immediately preceding school year.

(5) The grade level in which the student will enroll in the charter school.

The department shall verify the accuracy of the information reported.

(b) This subsection applies after December 31 of the calendar year in which a charter school begins its initial operation. The department shall distribute to the organizer the amount determined under IC 21-3-1.7 for the charter school. The department shall make a distribution under this subsection at the same time and in the same manner as the department makes a distribution under IC 21-3-1.7.

(c) The department shall provide to the department of local government finance the following information:

(1) For each county, the number of students who:

(A) have legal settlement in the county; and

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(B) attend a charter school.

(2) The school corporation in which each student described in subdivision (1) has legal settlement.

(3) The charter school that a student described in subdivision (1) attends and the county in which the charter school is located.

(4) The amount determined under IC 6-1.1-19-1.5(f) STEP EIGHT for 2004 and IC 6-1.1-19-1.5(b) STEP SIX for 2005 for each school corporation described in subdivision (2).

(5) The amount determined under STEP TWO of the following formula:

STEP ONE: Determine the product of:

(A) the amount determined under IC 21-3-1.7-6.7(d) or IC 21-3-1.7-6.7(e) for a charter school described in subdivision (3); multiplied by

(B) thirty-five hundredths (0.35).

STEP TWO: Determine the product of:

(A) the STEP ONE amount; multiplied by

(B) the current ADM of a charter school described in subdivision (3).

(6) The amount determined under STEP THREE of the following formula:

STEP ONE: Determine the number of students described in subdivision (1) who:

(A) attend the same charter school; and

(B) have legal settlement in the same school corporation located in the county.

STEP TWO: Determine the subdivision (5) STEP ONE amount for a charter school described in STEP ONE (A).

STEP THREE: Determine the product of:

(A) the STEP ONE amount; multiplied by

(B) the STEP TWO amount.

Sec. 3. (a) This section applies to a conversion charter school.

(b) Not later than the date established by the department for determining average daily membership and after July 2, the organizer shall submit to a governing body on a form prescribed by the department the information reported under section 2(a) of this chapter for each student who:

(1) is enrolled in the organizer's conversion charter school; and

(2) has legal settlement in the governing body's school corporation.

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(c) Beginning not more than sixty (60) days after the department receives the information reported under section 2(a) of this chapter, the department shall distribute to the organizer:

(1) tuition support and other state funding for any purpose for students enrolled in the conversion charter school;

(2) a proportionate share of state and federal funds received:

(A) for students with disabilities; or

(B) staff services for students with disabilities;

enrolled in the conversion charter school; and

(3) a proportionate share of funds received under federal or state categorical aid programs for students who are eligible for the federal or state categorical aid and are enrolled in the conversion charter school;

for the second six (6) months of the calendar year in which the conversion charter school is established. The department shall make a distribution under this subsection at the same time and in the same manner as the department makes a distribution to the governing body of the school corporation in which the conversion charter school is located. A distribution to the governing body of the school corporation in which the conversion charter school is located is reduced by the amount distributed to the conversion charter school. This subsection does not apply to a conversion charter school after December 31 of the calendar year in which the conversion charter school is established.

(d) This subsection applies beginning with the first property tax distribution described in IC 6-1.1-27-1 to the governing body of the school corporation in which a conversion charter school is located after the governing body receives the information reported under subsection (b). Not more than ten (10) days after the governing body receives a property tax distribution described in IC 6-1.1-27-1, the governing body shall distribute to the conversion charter school the amount determined under STEP THREE of the following formula:

STEP ONE: Determine the quotient of:

(A) the number of students who:

(i) are enrolled in the conversion charter school; and

(ii) were counted in the ADM of the previous year for the school corporation in which the conversion charter school is located; divided by

(B) the current ADM of the school corporation in which the conversion charter school is located.

In determining the number of students enrolled under clause

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(A)(i), each kindergarten student shall be counted as one-half (1/2) student.

STEP TWO: Determine the total amount of the following revenues to which the school corporation in which the conversion charter school is located is entitled for the second six (6) months of the calendar year in which the conversion charter school is established:

(A) Revenues obtained by the school corporation's:

(i) general fund property tax levy; and

(ii) excise tax revenue (as defined in IC 21-3-1.7-2).

(B) The school corporation's certified distribution of county adjusted gross income tax revenue under IC 6-3.5-1.1 that is to be used as property tax replacement credits.

STEP THREE: Determine the product of:

(A) the STEP ONE amount; multiplied by

(B) the STEP TWO amount.

(e) Subsection (d) does not apply to a conversion charter school after the later of the following dates:

(1) December 31 of the calendar year in which the conversion charter school is established.

(2) Ten (10) days after the date on which the governing body of the school corporation in which the conversion charter school is located receives the final distribution described in IC 6-1.1-27-1 of revenues to which the school corporation in which the conversion charter school is located is entitled for the second six (6) months of the calendar year in which the conversion charter school is established.

(f) This subsection applies during the second six (6) months of the calendar year in which a conversion charter school is established. A conversion charter school may apply for an advance from the charter school advancement account under IC 21-1-32 in the amount determined under STEP FOUR of the following formula:

STEP ONE: Determine the result under subsection (d) STEP ONE (A).

STEP TWO: Determine the difference between:

(A) the conversion charter school's current ADM; minus

(B) the STEP ONE amount.

STEP THREE: Determine the quotient of:

(A) the STEP TWO amount; divided by

(B) the conversion charter school's current ADM.

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STEP FOUR: Determine the product of:

(A) the STEP THREE amount; multiplied by

(B) the quotient of:

(i) the subsection (d) STEP TWO amount; divided by

(ii) two (2).

Sec. 4. (a) Services that a school corporation provides to a charter school, including transportation, may be provided at not more than one hundred three percent (103%) of the actual cost of the services.

(b) This subsection applies to a sponsor that is a state educational institution described in IC 20-24-1-7(2). In a calendar year, a state educational institution may receive from the organizer of a charter school sponsored by the state educational institution an administrative fee equal to not more than three percent (3%) of the total amount the organizer receives during the calendar year under IC 6-1.1-19-12 and IC 21-3-1.7-8.2.

Sec. 5. (a) An organizer may apply for and accept for a charter school:

(1) independent financial grants; and

(2) funds from public or private sources other than the department.

(b) An organizer shall make all applications, enter into all contracts, and sign all documents necessary for the receipt by a charter school of aid, money, or property from the federal government.

Sec. 6. With the approval of a majority of the members of the governing body, a school corporation may distribute a proportionate share of the school corporation's capital project fund to a charter school.

Sec. 7. When a charter school uses public funds for the construction, reconstruction, alteration, or renovation of a public building, bidding and wage determination laws and all other statutes and rules apply.

Sec. 8. A sponsor may request and receive financial reports concerning a charter school from the organizer at any time.

Sec. 9. (a) This section applies if:

(1) a sponsor:

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

(B) does not renew a charter; or

(2) a charter school otherwise terminates its charter before the end of the term for which the charter is granted.

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(b) Any local or state funds that remain to be distributed to the charter school in the calendar year in which an event described in subsection (a) occurs shall be distributed as follows:

(1) First, to the common school loan fund to repay any existing obligations of the charter school under IC 21-1-32.

(2) Second, to the entities that distributed the funds to the charter school. A distribution under this subdivision shall be on a pro rata basis.

(c) If the funds described in subsection (b) are insufficient to repay all existing obligations of the charter school under IC 21-1-32, the state shall repay any remaining obligations of the charter school under IC 21-1-32 from the amount appropriated for distributions under IC 21-3-1.7.

Chapter 8. Charter School Powers and Exemptions

Sec. 1. A charter school may do the following:

(1) Sue and be sued in its own name.

(2) For educational purposes, acquire real and personal property or an interest in real and personal property by purchase, gift, grant, devise, or bequest.

(3) Convey property.

(4) Enter into contracts in its own name, including contracts for services.

Sec. 2. A charter school may not do the following:

(1) Operate at a site or for grades other than as specified in the charter.

(2) Charge tuition to any student residing within the school corporation's geographic boundaries. However, a charter school may charge tuition for:

(A) a preschool program, unless charging tuition for the preschool program is barred under federal law; or

(B) a latch key program;

if the charter school provides those programs.

(3) Except for a foreign exchange student who is not a United States citizen, enroll a student who is not a resident of Indiana.

(4) Be located in a private residence.

(5) Provide home based instruction.

Sec. 3. For each charter school established under this article, the charter school and the organizer are accountable to the sponsor for ensuring compliance with:

(1) applicable federal and state laws;

(2) the charter; and

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(3) the Constitution of the State of Indiana.

Sec. 4. Except as specifically provided in this article and the statutes listed in section 5 of this chapter, the following do not apply to a charter school:

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

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

(3) A rule or guideline adopted by the professional standards board established by IC 20-28-2-1(a), except for those rules that assist a teacher in gaining or renewing a standard or advanced license.

(4) A local regulation or policy adopted by a school corporation unless specifically incorporated in the charter.

Sec. 5. The following statutes and rules and guidelines adopted under the following statutes apply to a charter school:

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

(2) IC 20-26-6-2 (unified accounting system).

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

(4) IC 20-26-5-10 and IC 20-28-5-9 (criminal history).

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

(6) IC 20-28-7-14 (void teacher contract when two (2) contracts are signed).

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

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

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

(10) For conversion charter schools only, IC 20-28-6, IC 20-28-7, IC 20-28-8, IC 20-28-9, and IC 20-28-10.

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

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

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

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

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

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

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

(18) IC 20-31-3, IC 20-32-4, IC 20-32-5, IC 20-32-6, IC 20-32-8, or any other statute, rule, or guideline related to standardized testing (assessment programs, including

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remediation under the assessment programs).

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

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

Sec. 6. (a) A charter school may not duplicate a Bureau of Apprenticeship and Training (BAT) approved Building Trades apprenticeship program.

(b) A student in a charter school may not be excluded from participating in a BAT approved Building Trades apprenticeship program that is offered in a noncharter school.

Chapter 9. Oversight of Charter Schools; Reporting Requirements; Revocation of Charter

Sec. 1. An organizer that has established a charter school shall submit an annual report to the department for informational and research purposes.

Sec. 2. An annual report under this chapter must contain the following information for a charter school:

(1) Results of all standardized testing, including ISTEP program testing and the graduation examination.

(2) A description of the educational methods and teaching methods employed.

(3) Daily attendance records.

(4) Graduation statistics (if appropriate), including attainment of Core 40 and academic honors diplomas.

(5) Student enrollment data, including the following:

(A) The number of students enrolled.

(B) The number of students expelled.

(C) The number of students who discontinued attendance at the charter school and the reasons for the discontinuation.

Sec. 3. The sponsor shall oversee a charter school's compliance with:

(1) the charter; and

(2) all applicable laws.

Sec. 4. Notwithstanding the provisions of the charter, a sponsor that grants a charter may revoke the charter at any time before the expiration of the term of the charter if the sponsor determines that at least one (1) of the following occurs:

(1) The organizer fails to comply with the conditions established in the charter.

(2) The charter school established by the organizer fails to meet the educational goals set forth in the charter.

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(3) The organizer fails to comply with all applicable laws.

(4) The organizer fails to meet generally accepted government accounting principles.

(5) One (1) or more grounds for revocation exist as specified in the charter.

Sec. 5. A charter school shall report the following to the sponsor:

(1) Attendance records.

(2) Student performance data.

(3) Financial information.

(4) Any information necessary to comply with state and federal government requirements.

(5) Any other information specified in the charter.

Sec. 6. The organizer of a charter school shall publish an annual performance report that provides the information required under IC 20-20-8-8 in the same manner that a school corporation publishes an annual report under IC 20-20-8.

Chapter 10. Student Transfers From Charter School to Public Noncharter Schools

Sec. 1. A public noncharter school that receives a transfer student from a charter school may not discriminate against the student in any way, including by placing the student:

(1) in an inappropriate age group according to the student's ability;

(2) below the student's abilities; or

(3) in a class where the student has already mastered the subject matter.

Chapter 11. Conversion of Existing Public Schools Into Charter Schools

Sec. 1. An existing public elementary or secondary school may be converted into a charter school if the following conditions apply:

(1) At least sixty percent (60%) of the teachers at the school have signed a petition requesting the conversion.

(2) At least fifty-one percent (51%) of the parents of students at the school have signed a petition requesting the conversion.

Sec. 2. If the conditions of section 1 of this chapter are met, the teachers and parents may appoint a committee to act as organizers for the charter school.

Sec. 3. The organizers shall submit a proposal under IC 20-24-3 to the governing body of the school corporation in which the existing elementary or secondary school is located to convert the existing school into a charter school.

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Sec. 4. Only the governing body of the school corporation in which an existing public elementary or secondary school that seeks conversion to a charter school is located may act as the sponsor of the conversion charter school.

SECTION 9. IC 20-25 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

ARTICLE 25. INDIANAPOLIS PUBLIC SCHOOLS

Chapter 1. Applicability

Sec. 1. This article applies to a common school corporation that:

(1) is located in whole or in part in the most populous township in a county having a population of more than seven hundred thousand (700,000); and

(2) serves the largest geographical territory of any school corporation in the township.

Chapter 2. Definitions

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

Sec. 2. "Administrator" means a full-time employee of a school in the school city who is:

(1) a principal;

(2) an assistant principal; or

(3) any other educational manager at the school.

Sec. 3. "Assessment program" refers to the assessment program established under IC 20-31-8 and a test approved by the board's plan developed under IC 20-25-10.

Sec. 4. "Assessment test" refers to a test administered to students under the assessment program established under IC 20-31-8.

Sec. 5. "Board" refers to the local board of school commissioners established by IC 20-25-3-1.

Sec. 6. "Designated grade level" refers to a grade level tested under the assessment program established under IC 20-31-8.

Sec. 7. "Educators" means teachers and administrators.

Sec. 8. "Graduation rate" means the graduation rate for a high school:

(1) determined by the method described in 511 IAC 6.1-1-2; and

(2) calculated by the department.

Sec. 9. "Neighborhood school" means the school of the school city located closest to a student's residence.

Sec. 10. "Remediation rate" means the percentage of students,

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aggregated by grade, in a school who fail to meet state achievement standards in a designated grade level.

Sec. 11. "Residence" has the meaning set forth in IC 20-26-11-1.

Sec. 12. "School city" refers to a school corporation to which this article applies.

Sec. 13. "State achievement standards" refers to the state achievement standards by which the assessment program established under IC 20-31-8 assesses students.

Sec. 14. "Student" refers to a student enrolled in a school city.

Sec. 15. "Student attendance rate" means the student attendance rate for a school as:

(1) determined by the method described in 511 IAC 6.1-1-2; and

(2) calculated by the department.

Sec. 16. "Student performance improvement level" refers to a level of performance improvement in student academic achievement established by the board.

Sec. 17. "Teacher" means a:

(1) certified; and

(2) full-time;

teacher in the school city.

Sec. 18. "Teacher attendance rate" means the attendance rate for teachers at a school calculated by the board in the same manner as described for the student attendance rate in section 15(1) of this chapter.

Chapter 3. Board of School Commissioners; Officers and Employees

Sec. 1. (a) The government, management, and control of all common schools and common school libraries in the school city are vested in a board of school commissioners that consists of seven (7) school commissioners.

(b) The corporate name of the school city is "The Board of School Commissioners of the City of _____" (the blank being filled with the name of the civil city), and by that corporate name the school city shall:

(1) contract;

(2) be contracted with;

(3) sue; and

(4) be sued.

Sec. 2. (a) The school city board has the following powers:

(1) The powers conferred upon school cities by Acts 1871, c.15.

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(2) The powers conferred by law as of March 9, 1931, on boards of school commissioners in cities having a population of one hundred thousand (100,000) or more.

(3) The powers conferred by all laws in effect as of March 9, 1931, on boards of school commissioners in cities having a population of more than two hundred thousand (200,000) or more than three hundred thousand (300,000).

(4) The powers conferred under IC 20-26-1, IC 20-26-2, IC 20-26-3, IC 20-26-4, IC 20-26-5, IC 20-26-6, and IC 20-26-7, except as otherwise provided in this chapter.

(b) A school city board provided for by this chapter, in its respective school city, is liable for and must pay and discharge all of the indebtedness, liabilities, and obligations of a board elected in the school city under any of the statutes listed in this section and under this chapter.

(c) The board is vested with the title and ownership of all property of every kind of the existing school city.

Sec. 3. (a) A member of the board must:

(1) be a resident voter of the school city; and

(2) have been a resident of the school city for at least one (1) year immediately preceding the member's election.

(b) A board member may not:

(1) serve in an elective or appointive office under the board or under the government of the civil city while serving on the board; or

(2) knowingly have a pecuniary interest as described in IC 35-44-1-3(g) in a contract or purchase with the school city in which the member is elected.

If, at any time after a member is elected to the board, the board member knowingly acquires a pecuniary interest in a contract or purchase with the school city, the member is disqualified to continue as a member of the board, and a vacancy in the office is created.

(c) Each member of the board shall, before assuming the duties of office, take an oath, before a person qualified to administer oaths, that:

(1) the member possesses all the qualifications required by this chapter for membership on the board;

(2) the member will honestly and faithfully discharge the duties of office;

(3) the member will not, while serving as a member of the board, become interested, directly or indirectly, in any

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contract with or claim against the school city, except as authorized by law; and

(4) in the performance of official duties as a member of the board, including the selection of the board's officers, agents, and employees, the member will not be influenced by any consideration of politics or religion; and

(5) the member will be controlled in the selection of officers, agents, and employees only by considerations of merit, fitness, and qualification.

(d) Board members are entitled to receive compensation not to exceed the amount allowed under IC 20-26-4-6 and a per diem not to exceed the rate approved for members of the city-county council established under IC 36-3-4 for attendance at each regular and committee meeting as determined by the board.

Sec. 4. (a) The board consists of seven (7) members. A member:

(1) must be elected on a nonpartisan basis in primary elections held in the county as specified in this section; and

(2) serves a four (4) year term.

(b) Five (5) members shall be elected from the school board districts in which the members reside and two (2) members must be elected at large. Not more than two (2) of the members who serve on the board may reside in the same school board district.

(c) If a candidate runs for one (1) of the district positions on the board, only eligible voters residing in the candidate's district may vote for that candidate. If a person is a candidate for one (1) of the at-large positions, eligible voters from all the districts may vote for that candidate.

(d) If a candidate files to run for a position on the board, the candidate must specify whether the candidate is running for a district or an at-large position.

(e) A candidate who runs for a district or an at-large position wins if the candidate receives the greatest number of votes of all the candidates against whom the candidate runs.

(f) Districts shall be established within the school city by the state board. The districts must be drawn on the basis of precinct lines, and as nearly as practicable, of equal population with the population of the largest district not to exceed the population of the smallest district by more than five percent (5%). District lines must not cross precinct lines. The state board shall establish:

(1) balloting procedures for the election under IC 3; and

(2) other procedures required to implement this section.

(g) A member of the board serves under section 3 of this

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chapter.

(h) A vacancy in the board shall be filled temporarily by the board as soon as practicable after the vacancy occurs. The member chosen by the board to fill a vacancy holds office until the member's successor is elected and qualified. The successor shall be elected at the next regular school board election occurring after the date on which the vacancy occurs. The successor fills the vacancy for the remainder of the term.

(i) An individual elected to serve on the board begins the individual's term on July 1 of the year of the individual's election.

(j) Notwithstanding any law to the contrary, each voter must cast a vote for a school board candidate or school board candidates by voting system or paper ballot. However, the same method used to cast votes for all other offices for which candidates have qualified to be on the election ballot must be used for the board offices.

Sec. 5. The board in a school city shall organize in the manner set forth in IC 20-26-4-1.

Sec. 6. (a) A member of a standing committee of the board provided for by the board's rules shall be appointed by the president within three (3) weeks after the president's election to the office of president.

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

(c) The board in:

(1) electing and choosing a general superintendent; and

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

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

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

(e) The board may:

(1) by rule fix the time and the number of meetings of the

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board, except that one (1) regular meeting must be held in each calendar month; and

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

(A) the board's own procedure; and

(B) the government and management of:

(i) the board's schools; and

(ii) property under the board's control.

Sec. 7. Each legislative act of the board must be by written resolution.

Sec. 8. (a) The board may:

(1) determine the number of employees of the board;

(2) prescribe the employees' duties; and

(3) fix the employees' compensation.

(b) The board shall adopt rules for obtaining, by open competition and without regard to religious or political belief, lists of candidates from which all teachers and all other officers and employees are selected.

(c) The selection of a candidate as a teacher, an officer, or an employee must be based solely on the fitness of the candidate under the rules adopted under subsection (b).

Sec. 9. (a) The board shall appoint a general superintendent if a vacancy occurs or will imminently occur in the office of the superintendent due to the:

(1) expiration of the term; or

(2) death, resignation, or removal from office;

of the incumbent superintendent.

(b) The board's election of a superintendent shall be effected by resolution of the board. The resolution must specify the day on which the superintendent's term begins and the day on which the superintendent's term ends. The board may not appoint a superintendent for a term longer than four (4) years.

(c) The superintendent's salary must be prescribed in the resolution declaring the superintendent's appointment and must be paid to the superintendent in a frequency determined by the board, but not less frequently than monthly.

(d) The board shall:

(1) act upon the recommendations of the superintendent; and

(2) make other decisions and perform other duties that fall within the general framework of the laws of the state.

Sec. 10. (a) The superintendent shall act as general administrator of the school city and make recommendations to the board concerning:

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(1) the conduct of the schools;
(2) the employment and dismissal of personnel;
(3) the purchase of supplies;
(4) the construction of buildings; and
(5) all other matters pertaining to the conduct of the schools within the general framework of the school laws of the state.

(b) The superintendent shall:
(1) attend all meetings of the board, except when the superintendent's appointment is under consideration;
(2) carry out the orders of the board; and
(3) make all other decisions and perform all other duties that are prescribed by law or that reasonably fall within the superintendent's power and jurisdiction.

Sec. 11. (a) Except as provided in subsections (b) and (c), a payment made from money of the board must be made in accordance with budget appropriations.

(b) If a payment is from a fund of the board that is not subject to budgeting and appropriation but has been transferred to the board for specific purposes, the payment must be made:
(1) in accordance with the terms of the fund being drawn upon that are made available to the board; and
(2) after the superintendent has approved the proposed payment.

(c) If a payment is from a fund of the board that is not subject to budgeting and appropriation and is unrestricted as to the purposes for which it may be expended, the payment must be made in accordance with the prior:
(1) direction of the superintendent; or
(2) order of the board.

(d) Not later than thirty (30) days after a payment under subsection (b) or (c) is made from a fund of the board, the superintendent shall report the payment to the board for approval.

Sec. 12. (a) An appointment or discharge of an employee of the school city must be:
(1) made in conformity with the rules of the board; and
(2) reported at the meeting of the board that follows the date of each appointment or discharge by the superintendent.

(b) The superintendent's actions reported to the board under this section are subject to the approval of the majority of the board.

(c) A discharge operates as a suspension until the discharge is approved by the board.

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(d) A school employee of the school city, except a probationary employee discharged before the end of the employee's probationary period, is entitled to request a hearing before being discharged. Upon written request for a hearing from the school employee, the superintendent shall appoint a hearing examiner.

(e) The hearing examiner appointed by the superintendent under subsection (d) may be an individual on the school city's administrative staff or the school city's counsel, as long as the hearing examiner:

(1) did not recommend the discharge of the employee;

(2) will not be a witness at the hearing; and

(3) has no involvement in the recommendation to discharge the employee.

(f) The hearing examiner shall:

(1) make a written report of the hearing examiner's findings and conclusions; and

(2) submit the report to the superintendent.

(g) An employee may appeal in writing an adverse decision of the hearing examiner to the board. Upon appeal, the board shall review the decision of the hearing examiner and may receive additional evidence or testimony.

(h) The board shall adopt rules and procedures that afford an employee, other than a probationary employee, the right to a hearing and the right to appeal under this section.

(i) This section does not apply to teachers.

Sec. 13. (a) Money may not be drawn from the treasury of the board except for appropriations made:

(1) by the board; and

(2) upon an aye and nay vote recorded in the board's minutes.

(b) An appropriation may not be made for a period extending beyond December 31 of the current calendar year.

(c) Except as otherwise provided in this article, at the end of a fiscal year, all unexpended balances of all appropriations, except appropriations from tuition funds and the capital projects fund, revert to the board's general fund.

(d) General fund money that has been obligated but not paid at the end of a fiscal year may be paid without a new appropriation. Except as otherwise provided in this article, money obligated under this subsection does not revert to the board's general fund at the end of the fiscal year in which the money is appropriated, unless the board by affirmative act causes the money to revert.

Sec. 14. (a) The books, accounts, and vouchers of the board and

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of all the board's officers and employees may be examined by the state board of accounts at a time selected by the state board of accounts.

(b) An officer or employee of the board shall, on request of the state board of accounts:

(1) produce and submit to the state board of accounts for examination all:

(A) books;

(B) papers;

(C) documents;

(D) vouchers;

(E) accounts; and

(F) records;

of the board in the possession of the officer or employee or belonging to the office of the officer or employee; and

(2) assist in every way the state board of accounts in its work in making an examination.

Sec. 15. (a) Money payable to the board must be paid to the board's treasurer. The treasurer's receipt for the money must be filed with the business manager of the board.

(b) The business manager, after receiving the treasurer's receipt, shall issue a quietus. The business manager's quietus alone is sufficient evidence of payment to the board.

(c) Only the treasurer of the board may collect or receive money payable to the board. A payment made to an individual other than the treasurer and a receipt given by an individual other than the treasurer are void as against the board.

Chapter 4. General Administrative Provisions

Sec. 1. A contract or an obligation is not binding on the board unless the board makes an appropriation for the contract or obligation.

Sec. 2. (a) A contract involving more than seventy-five thousand dollars ($75,000) must be:

(1) in writing;

(2) executed in the name of the board by:

(A) the board's business manager; or

(B) another board designated employee; and

(3) approved by the board.

(b) If money for a contract or purchase has been appropriated by the board, the designated employee may make contracts and purchases not exceeding seventy-five thousand dollars ($75,000) in any one (1) transaction. A contract and purchase under this

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subsection must be reported to the board at its next regular meeting.

(c) A purchase of supplies or materials may not be made from one (1) person, firm, limited liability company, or corporation at any one (1) time or in any one (1) transaction totalling more than ten thousand dollars ($10,000) unless bids for the purchase of the supplies or the materials have been advertised and accepted. The board shall determine the mode and manner of advertising for bids for supplies and materials.

Sec. 3. (a) This section does not apply if the board by formal vote elects to:

(1) build;
(2) enlarge;
(3) make alterations to; or
(4) make improvements to;

a school or building owned by the board if the project described in subdivisions (1) through (4) will cost not more than fifteen thousand dollars ($15,000) and the board intends to complete the project using its own employees.

(b) If subsection (a) does not apply and the board determines to:

(1) build;
(2) enlarge;
(3) make alterations to; or
(4) make improvements to;

a school or building owned by the board, the cost of which is estimated to be more than ten thousand dollars ($10,000), the business manager or other board designated employee shall advertise for bids in the manner provided in subsection (c).

(c) The advertisements for bids must be placed as follows:

(1) One (1) advertisement must be placed each week for three (3) weeks.
(2) The first advertisement must be placed at least twenty-one (21) days before the bids are opened.
(3) The advertisement must be placed in two (2) newspapers of general circulation in the city.

The board shall enter in full in the minutes that advertisements for bids have been placed under this subsection.

(d) If bids are taken under this section, a bid must be:

(1) enclosed by the bidder in an envelope sealed by the bidder; and
(2) presented at a meeting of the board or the bid committee of the board at the time and place fixed by the advertisement.

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A bid may not be received after the time established in the advertisement.

(e) The business manager at the hour established in the advertisements and in the presence of the board or the bid committee shall open all the bids. The bids must then be publicly read by a designated employee and be immediately entered in full in the records of the board.

(f) The board shall, by general rules, specify the condition of each bid, and only the lowest and best bids from responsible bidders may be accepted. The board may, if the board has reason to suspect collusion among bidders, reject the bids of all bidders involved in the collusion.

Sec. 4. (a) Notwithstanding any other law, the board may designate a committee of the board, which may consist of employees or officers of the board, to open or tabulate bids at a date, time, and place fixed by advertisement for:

(1) the purchase of:

(A) supplies;

(B) material;

(C) equipment; or

(D) land;

(2) the building, enlargement, or alteration of any school building; or

(3) any other purpose.

(b) The committee of the board shall open and tabulate each bid that is presented to the committee. The bids shall be:

(1) read and tabulated publicly;

(2) immediately entered in the record of the board; and

(3) reported to the board at the board's next meeting.

(c) A bid shall be accepted or rejected by the committee of the board under this section. The bid shall be accepted or rejected by the board in an official board meeting.

Sec. 5. (a) The board may annually levy taxes in an amount the board determines is necessary to:

(1) produce income sufficient to conduct and carry on the work of the board; and

(2) meet all payments of principal and interest on bonds, notes, or other obligations of the board that mature in the year the levy is made.

The fund arising from a levy made by the board under this section is the board's general fund. The general fund may lawfully be used by the board for any purpose within the scope of the duties of the

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board as imposed by law.

(b) The board shall record the amount of the annual levy in its minutes.

Sec. 6. (a) The board may periodically, as the need arises, borrow money and issue school building bonds to supply the school city with funds:

(1) to buy real estate;

(2) to erect buildings for school or administrative purposes;

(3) to enlarge, remodel, and repair school buildings; or

(4) for one (1) or more of the purposes described in subdivisions (1) through (3).

The proceeds of the sale of bonds under this subsection may not be used for a purpose other than a purpose described in subdivisions (1) through (4).

(b) The board may periodically, as the need arises, issue school funding bonds to take up and retire the principal and accrued interest of any outstanding bonds of the school city. School funding bonds may be issued only if the board determines it is to the advantage of the school city to refund the outstanding bonds of the school city. A school funding bond may not be issued and the proceeds of a school funding bond may not be used for a purpose other than to refund or take up and discharge outstanding bonds of the school city. Any preexisting bonds for which the school city is liable under this chapter are outstanding bonds of the school city under this subsection.

(c) Before school building bonds may be issued under subsection (a), the board shall, by a resolution entered into the record in the board's corporate minutes, demonstrate a particular need for the money and the inability of the school city to supply the money from any other applicable fund under the control of the board. Before school funding bonds may be issued under subsection (b), the board shall, by a resolution entered into the record of the board's corporate minutes, provide a description of the bonds to be taken up, including the kind, date, date of maturity, and amount of the bonds.

(d) Bonds issued under this section must:

(1) be serial bonds;

(2) bear interest at a rate payable semiannually; and

(3) mature at a time or times fixed in the resolution of the board.

(e) A bond to be issued under this section may not be delivered until the price of the bond is paid to the treasurer of the school city

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in:

(1) money for school building bonds; or

(2) money or bonds to be refunded for school funding bonds.

A bond issued under this section may not accrue interest before its delivery.

(f) A bond issued under this section must be payable to bearer and be of the general form usual in municipal bonds.

(g) Before offering bonds authorized by this section for sale, the board must give three (3) weeks notice of the date fixed for the sale of the bonds. The notice must include a description of the bonds and invite bids for the bonds. The notice shall be given by three (3) advertisements, one (1) time each week for the three (3) consecutive weeks immediately preceding the day of sale in a newspaper published and with a general circulation in Indianapolis. Notice may also be required in other advertisements if ordered by the board.

(h) The board shall sell the bonds to the highest and best bidder and has the right to reject any bid. The proceeds arising from the sale shall be used only for the purpose declared in the resolution of the board.

Sec. 7. (a) The board may, if the board's general fund is exhausted or in the board's judgment is in danger of exhaustion, make temporary loans for the use of the board's general fund to be paid out of the proceeds of taxes levied by the school city for the board's general fund. The amount borrowed for the general fund must be paid into the board's general fund and may be used for any purpose for which the board's general fund lawfully may be used. A temporary loan must:

(1) be evidenced by the promissory note or notes of the school city;

(2) bear interest that is payable, according to the note or notes, periodically or at the maturity of the note or notes and at not more than seven percent (7%) per annum; and

(3) mature at a time or times determined by the board, but not later than one (1) year after the date of the note or notes.

Loans made in a calendar year may not be for a sum greater than the amount estimated by the board as proceeds to be received by the board from the levy of taxes made by the school city for the board's general fund. Successive loans may be made to aid the general fund in a calendar year, but the total amount of successive loans outstanding at any time may not exceed the estimated proceeds of taxes levied for the board's general fund.

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(b) A loan under this section may not be made until notice asking for bids is given by newspaper publication. Notice must be made one (1) time in a newspaper published in the school city at least seven (7) days before the time the bids for the loans will be opened. A bidder shall name the amount of interest the bidder agrees to accept, not exceeding seven percent (7%) per annum. The loan shall be made to the bidder or bidders bidding the lowest rate of interest. The note, notes, or warrants may not be delivered until the full price of the face of the loan is paid to the treasurer of the school city, and interest does not accrue on the loan until delivery.

Sec. 8. (a) A school city wishing to make a temporary loan for its general fund under this section may temporarily borrow money, without payment of interest, from the school city's treasury if the school city has in its treasury money derived from the sale of bonds that cannot or will not in the due course of the business of the school city be expended in the near future. A school city shall, by its board, take the following steps required by law to obtain a temporary loan under this section:

(1) Present to the department of local government finance and the state board of accounts:

(A) a copy of the corporate action of the school city concerning the school city's desire to make a temporary loan;

(B) a petition showing the particular need for a temporary loan;

(C) the amount and the date or dates when the general fund will need the temporary loan or the installments of the loan;

(D) the date on which the loan and each installment of the loan will be needed;

(E) the estimated amounts from taxes to come into the general fund;

(F) the dates when it is expected the proceeds of taxes will be received by the school city for the general fund;

(G) the amount of money the school city has in each fund derived from the proceeds of the sale of bonds that cannot or will not be expended in the near future; and

(H) a showing of when, to what extent, and why money in the bond fund will not be expended in the near future.

(2) Request the department of local government finance and the state board of accounts to authorize a temporary loan from the bond fund for the general fund.

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(b) If:

(1) the department of local government finance finds and orders that there is need for a temporary loan and that it should be made;

(2) the state board of accounts finds that the money proposed to be borrowed will not be needed during the period of the temporary loan by the fund from which it is to be borrowed; and

(3) the state board of accounts and the department of local government finance approve the loan;

the business manager and treasurer of the school city shall, upon the approval of the state board of accounts and the department of local government finance, take all steps necessary to transfer the amount of the loans as a temporary loan from the fund to be borrowed from to the general fund of the school city. The loan is a debt of the school city chargeable against its constitutional debt limit.

(c) The state board of accounts and the department of local government finance:

(1) may fix the total amount that may be borrowed on a petition; and

(2) shall determine:

(A) at what time or times;

(B) in what installments; and

(C) for what periods;

the money may be borrowed.

The treasurer and business manager of the school city, as money is collected from taxes levied in behalf of the general fund, shall credit the amount of money collected from taxes levied to the loan until the amount borrowed is fully repaid to the lending fund. The treasurer and business manager of the school city shall at the end of each calendar month report to the board the amounts applied from taxes to the payment of the loan.

(d) The school city shall, as often as once a month, report to both the state board of accounts and the department of local government finance:

(1) the amount of money borrowed and unpaid;

(2) any anticipated similar borrowings for the current month;

(3) the amount left in the general fund; and

(4) the anticipated drafts on the bond fund for the purposes for which the fund was created.

(e) The state board of accounts and the department of local

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government finance, or either acting independently:

(1) if it appears that the fund from which the loan was made requires the repayment of all or part of the loan before maturity; or

(2) if the general fund no longer requires all or some part of the proceeds of the loan;

may require the school city to repay all or part of the loan. A school city shall, if necessary to repay all or part of a loan under this subsection, exercise its power to obtain a temporary loan from others under section 7 of this chapter to raise the money needed to repay the bond fund the amount ordered repaid.

Sec. 9. A school city shall provide for the payment and retirement of debt obligations of the school city in the manner provided under IC 21-2-21-5, IC 21-2-21-10, and IC 21-2-4.

Sec. 10. (a) The board may not create debt in excess of twenty-five thousand dollars ($25,000) in total, except:

(1) as otherwise provided in this chapter; or

(2) for debts that exist on or after March 9, 1931, that are authorized by the general school laws of Indiana, including debt incurred under IC 21-4-20, IC 20-26-1, IC 20-26-2, IC 20-26-3, IC 20-26-4, IC 20-26-5, IC 20-26-6, and IC 20-26-7.

(b) Notwithstanding subsection (a), the board is liable for the board's lawful contracts with persons rendering services and furnishing materials incident to the ordinary current operations of the board's schools if the contracts have been entered into as provided in this chapter and in accordance with law. The obligations of the board to persons rendering services or furnishing materials is not limited or prohibited by this chapter.

(c) If the compensation to be paid for the purchase of real estate or an interest in real estate required by the board for the board's purposes cannot be agreed upon or determined by the:

(1) board; and

(2) persons owning or having an interest in the land desired;

the board may, by eminent domain, determine the compensation and acquire the title to the real estate or interest in the real estate by court action under IC 32-24.

(d) The right and power of the board to own and acquire real estate and interests in real estate in any manner and for any purpose specified in this chapter or by the general school laws of Indiana is not limited to real estate situated within the corporate boundaries of the civil city in which a school city is located.

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However, the right and power to acquire and own real estate extends to any parcel or trace of real estate the whole of which is situated:

(1) within one-half (1/2) mile of the nearest point on the corporate boundary of the civil city;

(2) within a platted territory:

(A) outside but contiguous to; or

(B) contiguous to another platted territory that is contiguous to;

the corporate boundary of the civil city; or

(3) within one-half (1/2) mile of the nearest point of the boundary of a platted territory:

(A) outside but contiguous to; or

(B) contiguous to another platted territory that is contiguous to;

the corporate boundary of the civil city.

"Platted territory", as used in this subsection, means a territory or land area for which a plat has been recorded in the manner provided by Indiana statutes pertaining to the recording of plats of land.

(e) Before acquiring any real estate or interest in real estate outside the corporate limits of the civil city, the board must, by resolution entered into the record of the board's corporate minutes, find and determine that, in the judgment of the board, the real estate or interest in real estate to be acquired will be needed for the future purposes of the board. This chapter does not limit the right of any board to accept, own, and hold real estate or an interest in real estate, wherever situated, that is acquired by the board by gift or devise.

Sec. 11. The board has the powers and duties conferred upon governing bodies by existing statutes and by the general school laws, including IC 20-26-1, IC 20-26-2, IC 20-26-3, IC 20-26-4, IC 20-26-5, IC 20-26-6, and IC 20-26-7, to the extent the powers and duties are consistent with this chapter.

Sec. 12. (a) The board may:

(1) except as provided in subsection (b), acquire by purchase, devise, gift, lease, or condemnation grounds needed by the school city;

(2) construct or lease buildings for school, school administration, or school office purposes;

(3) employ and pay all employees needed in any branch of the work committed to the board;

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(4) disburse, according to law, all money of the school city for lawful school city purposes;

(5) have and exercise in the school city full and exclusive:

(A) authority concerning the conduct and management of all common schools, including elementary schools and high schools; and

(B) power to establish and enforce all regulations for the:

(i) grading of; and

(ii) courses of;

instruction in all schools and for the government and discipline of the schools;

(6) divide the city into districts for school attendance purposes;

(7) maintain special day or night schools to which the board may admit adults and children at least fifteen (15) years of age; and

(8) maintain playgrounds and vacation schools.

(b) The board may not acquire the following real property:

Lots 693-719, inclusive, and 7 1/2 feet west of and adjacent to such lots, in Norcliffe Addition, an addition to the city of Indianapolis, as per plat thereof, recorded in plat book 18 at pages 165 and 166, in the office of the recorder of Marion County, Indiana.

Sec. 13. The expense of operating special schools under section 12(a)(7) of this chapter and playgrounds and vacation schools under section 12(a)(8) of this chapter must be paid out of the board's general fund. The board may make and impose fees that the board considers reasonable for:

(1) enrollment of any high school graduate in any class offered in a special school; and

(2) enrollment by any person at least seventeen (17) years of age in any special school class that does not provide credit toward graduation or progression in the regularly maintained common schools in the school city.

The receipts from fees under this section become a part of the board's general fund.

Sec. 14. (a) A school city may:

(1) sell real estate;

(2) transfer personal property; and

(3) execute deeds of conveyance and instruments of transfer with or without covenants of warranty;

if, in the opinion of the board, the real estate or personal property

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cannot be advantageously used for school or library purposes and can be sold for its fair cash value.

(b) A determination by the board that real estate or personal property cannot be advantageously used under subsection (a) must be entered into the record of the minutes of the school city's board.

Sec. 15. (a) The board may, subject to the board's rules, authorize a member of the board or an officer or individual employed by the board to be absent from the school city in the interest of the school city without loss of compensation.

(b) The board may refund to an individual described in subsection (a) necessary expenses incurred during the individual's absence. The amount refunded under this subsection must be paid from the board's general fund.

Sec. 16. (a) The board may establish and conduct a system of industrial or manual training and education in connection with and as part of the board's common school system.

(b) Industrial or manual training or education may include:

(1) the principal use of tools and mechanical implements; and

(2) the elementary principles of mechanical construction, mechanical drawing, and printing.

The board shall employ competent instructors in each of the various subjects.

(c) The board shall establish rules and regulations for the admission of students to the industrial and manual training education system. The rules and regulations must, in the judgment of the board, produce the best results and provide instruction to the largest practicable number of students. The instruction in industrial and manual training education may be given in space provided in school buildings or in separate buildings if, in the judgment of the board, it is most advantageous.

Sec. 17. (a) If a school city acquires title to or possession of real estate, buildings, and personal property in the school city by gift or donation, and the real estate, building, or personal property was used as an industrial or trade school for the education of youths in the trades of:

(1) printing;

(2) lithography;

(3) machine making;

(4) molding;

(5) typesetting;

(6) bricklaying;

(7) tile setting;

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(8) pattern making;
(9) pharmacy; or
(10) other trades or occupations;

the board may, by the use of the board's school funds, maintain and operate the industrial or trade school or schools.

(b) If real estate, a building, or personal property is acquired by the school city under subsection (a), the board shall:

(1) perform any conditions incident to the school city's acquisition of the property;
(2) maintain and operate the trade school and real estate, building, or personal property;
(3) employ competent instructors in the various subjects to be taught;
(4) purchase all necessary tools, implements, supplies, and apparatus; and
(5) establish general rules and requirements for:
(A) admission of pupils to the school or schools;
(B) the courses of instruction; and
(C) the conduct of the trade or industrial schools;

that, in the board's judgment, will produce the best results and give instruction to the largest practicable number of students.

The school city may also use the real estate, building, or personal property acquired under subsection (a) for other school purposes, but not for any purpose that will materially interfere with the conduct of the trade or industrial schools.

(c) The transfer tuition charge for each student who:

(1) is transferred to the school city from another school corporation in Indiana; and
(2) receives trade or industrial instruction in a trade or industrial school located on property acquired under subsection (a);

must be the actual per capita cost of operating the school the student attends. However, the costs of permanent improvements or additions, the salaries of the superintendents, or the costs of apparatus or repairing broken or damaged apparatus may not be used in computing the actual per capita cost.

(d) If the school city admits a student to a trade school acquired by means described in this section and the student is not, by law, entitled to school privileges, the tuition charge for the student may not be greater than the per capita cost of operating the school the student attends. The cost of permanent improvements and

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additions may not be included in computing the cost under this subsection.

(e) A school city may admit to the school city's vocational, trade, or industrial schools nonresidents of Indiana. A nonresident student must pay reasonable laboratory and shop fees and a tuition fee of not more than the per student cost to the school city conducting the vocational, trade, or industrial schools. A return on capital invested in buildings, grounds, or equipment may not be included in computing the per student cost under this subsection.

Sec. 18. (a) A school city may accept property in trust to be used for common school or vocational, trade, or industrial school purposes. The school city, whether made trustee by appointment of a court or by the founder of the trust, may carry out the terms of the trust in conducting common schools or vocational, trade, or industrial schools.

(b) If a school city by:

(1) resolution of; or

(2) other formal corporate action of;

the board accepts real estate or other property in trust under subsection (a), the school city shall perform all requirements made conditions of the trust performable by the trustee.

Sec. 19. (a) If the board determines it will promote the health of school children and advance the educational work of the schools, the board may provide for the serving of lunches to the students attending designated schools.

(b) The board may:

(1) establish kitchens and lunch rooms;

(2) provide equipment suitable for kitchens and lunch rooms;

(3) make other necessary provision for furnishing and serving lunches; and

(4) employ a director and other necessary assistants or employees;

to provide lunches under subsection (a).

(c) The board shall pay the expenses arising under subsection (b) out of the board's general fund. The expense of operating a lunch department shall, so far as practicable, be paid from charges paid by the students for the lunches. However, the board may, in the board's discretion, furnish lunches without cost to a student who is needy and unable to pay for the student's lunch.

Sec. 20. The general school laws of Indiana and all laws and parts of laws applicable to the general system of common schools in school cities, so far as not inconsistent with this chapter and

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other provisions of this article, and unless made inapplicable by this article, are in full force and effect in a school city to which this chapter applies.

Sec. 21. This chapter applies to the school city to the extent the chapter is not in conflict with:

(1) IC 20-23-4 and IC 20-23-16; and

(2) the school reorganization plan applicable to the school city or the school city's successor corporation under the terms of IC 20-23-4 and IC 20-23-16.

However, IC 20-25-3-4 prevails over any conflicting provision of IC 20-23-4 and IC 20-23-16 and over the provisions of any school reorganization plan.

Chapter 5. Real Property Annexations and Transfers; Remonstrances

Sec. 1. As used in this chapter, "acquiring school corporation" means the school corporation that acquires territory as a result of annexation.

Sec. 2. As used in this chapter, "annex", "annexing", "annexation", and "school annexation" mean an action in which the boundaries of a school corporation are changed so that additional territory, constituting all or a part of one (1) or more other school corporations, is transferred to the acquiring school corporation.

Sec. 3. As used in this chapter, "annexed territory" means the territory acquired by an acquiring school corporation as a result of annexation from a losing school corporation.

Sec. 4. As used in this chapter, "civil annexation" means an action in which the civil boundaries of a civil city are extended.

Sec. 5. As used in this chapter, "civil city" means a civil city or a civil town, the area of which, or the major part of the area of which, is under the jurisdiction of a school city.

Sec. 6. As used in this chapter, "losing school corporation" means a school corporation that loses territory to an acquiring school corporation by annexation.

Sec. 7. As used in this chapter, "resolution" of:

(1) a school township means a resolution adopted by the trustee and a majority of the township board; and

(2) any other school corporation means a resolution duly adopted by the school corporation's governing body.

Sec. 8. As used in this chapter, "school city" means a school corporation that at any time:

(1) is a school city;

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(2) is a school town;

(3) has succeeded to the jurisdiction of all a school city or a school town; or

(4) has succeeded to the jurisdiction of a major part in area of a school city or school town.

Sec. 9. As used in this chapter, "school corporation" means a public school corporation of the state located in whole or in part in a county containing a consolidated city.

Sec. 10. Subject to the limitations and procedure set out in this chapter, any:

(1) school corporation may annex territory from any other school corporation by resolutions of the acquiring and losing school corporations as provided in section 11 of this chapter; and

(2) school city may annex territory from any other school corporation by a single resolution of the school city as provided in section 12 of this chapter.

Sec. 11. (a) An annexation may be effected if an acquiring school corporation and a losing school corporation each adopts a substantially identical annexation resolution that contains the following items:

(1) A description of the annexed territory. The description must, as near as reasonably possible, be by streets and other boundaries known by common names. The description does not need to include a legal description unless a legal description is necessary to identify the annexed territory. A notice is not defective if there is a good faith compliance with this section and if the area designated may be ascertained with reasonable certainty by a person skilled in the area of real estate description.

(2) The time the annexation takes place. The time the annexation takes place may vary with respect to the different parts of the annexed territory. If the entire annexed territory is contiguous to the acquiring school corporation, the annexed territory may be annexed so that some parts may not be contiguous to the annexed territory for temporary periods.

(3) The terms and conditions facilitating education of students in the annexed territory, losing school corporation, or acquiring school corporation. The terms may include, but are not limited to, the continued attendance by students in the annexed territory at schools in the losing school corporation for specified periods after annexation on a transfer basis. If a

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student in an annexed territory attends a school in a losing school corporation under this subdivision, transfer tuition for the student must be paid by the acquiring school corporation to the losing school corporation in the manner and at the rates provided by the statutes governing the computation and payment of transfer tuition costs.

(4) The:

(A) disposition of assets and liabilities of the losing school corporation to the acquiring school corporation;

(B) allocation between the acquiring school corporation and losing school corporation of subsequently collected school taxes levied on property in the annexed territory; and

(C) amount, if any, to be paid by the acquiring school corporation to the losing school corporation on account of property received from the losing school corporation.

The disposition, allocation, and amount must be equitable.

(b) After the adoption of the resolutions under subsection (a), notice shall be given by publication in both the acquiring school corporation and the losing school corporation. The notice must include the text of the resolution, a statement that the resolution has been adopted, and a statement that a right of remonstrance exists as provided in this chapter. It is not necessary to set out the remonstrance provisions of this chapter in the notice. A general reference to a right of remonstrance with a reference to this chapter is sufficient to satisfy the requirements of this subsection. The annexation must take effect not later than thirty (30) days after the publication of the notice or at the time provided in the resolution, whichever is later. However, the annexation is not required to take effect within the period required by this subsection if a remonstrance, based on a ground other than that set out in section 14(a)(5) of this chapter, is filed in the circuit or superior court of the county in which the annexed territory or any part of the annexed territory is located. The remonstrance must be filed by registered voters residing in the losing school corporation at least equal in number to the greater of:

(1) ten percent (10%) of the number of registered voters residing in the losing school corporation; or

(2) fifty-one percent (51%) of the number of registered voters residing in the annexed territory.

Sec. 12. (a) Notwithstanding section 11 of this chapter, a school city may effect an annexation as follows:

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(1) The acquiring school corporation must adopt an annexation resolution of the type provided in section 11 of this chapter. Unless the losing corporation consents, the resolution may not provide a time for annexation before July 1 following the May 1 next succeeding the last publication of the notice of annexation.

(2) The acquiring school corporation, after adopting a resolution under subdivision (1), shall give notice of the type provided in section 11 of this chapter by publication in the acquiring school corporation and in the losing school corporation. The acquiring school corporation shall also give notice to the losing school corporation before the last publication of notice of the type provided in section 11 of this chapter. The annexation must take effect thirty (30) days after the last publication in the losing school corporation or at the time provided in the resolution, whichever is later. However, the annexation is not required to take effect within the period required by this subdivision if a remonstrance, based on a ground other than that set out in section 14(a)(5) of this chapter, is filed in the circuit or superior court of the county in which the annexed territory or a part of the annexed territory is located. The remonstrance must be filed by:

(A) the losing school corporation;

(B) not less than a majority of the owners of land in the annexed territory; or

(C) the owners of seventy-five percent (75%) or more in assessed valuation of the real estate in the annexed territory.

(b) For purposes of determining ownership under subsection (a)(2)(B) and (a)(2)(C), the following rules apply:

(1) Only the record title holder or holders of a single piece of property are considered an owner.

(2) If record title of a single piece of property is in more than one (1) individual, all the individuals constitute only one (1) owner, and the remonstrance of any one (1) of the individuals constitutes the remonstrance of all the individuals, whether or not the other individuals authorized the filing of the remonstrance.

Sec. 13. (a) The notice by publication required by sections 11 and 12 of this chapter shall be made two (2) times a week apart in two (2) daily newspapers of general circulation in the acquiring school corporation and the losing school corporation. The two (2)

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daily newspapers must be published in the English language. If there is only one (1) daily newspaper or if there are not any daily newspapers in either school corporation, a weekly newspaper may be used to provide notice. If there is only one (1) daily or weekly newspaper, publication in that newspaper is sufficient. If a newspaper is of general circulation in both school corporations, the publication of notice in the newspaper qualifies as one (1) of the required publications in each of the school corporations. Publication may be made jointly by the losing school corporation and the acquiring school corporation. The remonstrance period runs from the second publication.

(b) If notice is required to be given by an acquiring school corporation to a losing school corporation, it may be made by registered or certified United States mail, return receipt requested, addressed to the:

(1) governing body of the losing school corporation at the governing body's established business office;

(2) township trustee in the case of a school township; or

(3) superintendent of schools or any officer of the governing body of any other school corporation.

Sec. 14. (a) A remonstrance under section 11 or 12 of this chapter must be in substantially the following form:

The undersigned hereby remonstrate against the annexation of the following described territory situated in _____ County, Indiana, whereby it would be transferred from _____ (the losing corporation) to _____ (the acquiring corporation):

(Description of the annexed territory sufficient to identify it.)

The remonstrance may be filed in any number of counterparts. Each counterpart must have attached to it the affidavit of the individual circulating the counterpart that affirms that each signature appearing on the counterpart was affixed in the presence of the individual circulating the counterpart and that each signature is the true and lawful signature of the individual who made it. The individual who makes the affidavit is not required to be one (1) of the individuals who signs the counterpart to which the affidavit is attached. The remonstrance must be accompanied by a complaint filed by one (1) or more of the remonstrators. The individual or individuals who file the complaint must be treated as a representative of the entire class of remonstrators and must sign the complaint individually or have their respective attorneys sign it. The complaint must state the reasons for the remonstrance. The reasons for the remonstrance are limited to the following:

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(1) There is a procedural defect in the manner in which the annexation is carried out that is jurisdictional.

(2) The annexed territory does not form a compact area abutting the acquiring school corporation.

(3) The losing school corporation is left with no high school facilities, or its enrollment after annexation will be less than one thousand (1,000) students. This subdivision does not provide a basis for a remonstrance if the annexation includes all of the territory of the losing school corporation.

(4) The benefits to be derived from the annexation are outweighed by the detriments after consideration of the respective benefits and detriments to the schools, the students residing in the acquiring school corporation, the students residing in the losing school corporation, and the students residing in the annexed territory.

(5) The disposition of assets and liabilities of the losing corporation, the allocation of school tax receipts between the two (2) school corporations, and the amount to be paid by the acquiring school corporation as set out in the annexation resolution are inequitable.

Except for subdivision (1), each allegation enumerated under this subsection may be made in the statutory language.

(b) The plaintiff in a remonstrance suit is the individual whose name appears on the complaint and may be the losing school corporation in a remonstrance under section 12 of this chapter. The defendants in a remonstrance under section 11 of this chapter are the acquiring school corporation and the losing school corporation. The defendant in a remonstrance under section 12 of this chapter is the acquiring school corporation. Service of process shall be made on each defendant in the manner required in other civil actions.

(c) To determine if a petition is timely filed, the time of filing is the time of filing with the clerk of the circuit court without regard to the time of issuance of the summons. If the thirtieth day falls on Sunday, a holiday, or any other day when the clerk's office is not open, the time for filing must be extended to the next day when the clerk's office is open.

(d) The issues in a remonstrance suit are made up by the allegations in the complaint that are denied by each defendant. A responsive pleading does not need to be filed. A defendant may file a motion to dismiss the suit on the ground that the:

(1) requisite number of qualified remonstrators have not

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signed the petition;

(2) remonstrance was not timely filed; or

(3) complaint does not state a cause of action.

A responsive pleading to a motion to dismiss does not need to be filed. With respect to a motion under subdivisions (1) and (2), the allegations are considered denied by the remonstrators. In order to determine whether there are the requisite number of qualified remonstrators, an individual is not entitled to withdraw the individual's name after a remonstrance is filed, and an individual is not entitled to add the individual's name to the remonstrance after the remonstrance is filed. An individual may, however, at a remonstrance trial, in support or derogation of the substantive matters in the complaint, introduce into evidence a verified statement that the individual wishes to add or withdraw the individual's name from the remonstrance. The court may hear all or part of the matters raised by the motion to dismiss separately, or the court may consolidate all or part of the matters in the motion to dismiss with matters relating to the substance of the case for trial. A complaint may not be dismissed for failure to state a cause of action if a fair reading of the complaint makes out one (1) of the grounds for remonstrance and suit provided in subsection (a). An amendment of the complaint may be permitted in the discretion of the court if the amendment does not state a new ground of remonstrance.

(e) A remonstrance trial must be conducted in the same manner as other civil cases by the court without the intervention of a jury on the issues raised by a complaint or a motion to dismiss, or both. A change of venue from a judge is permitted, but a change of venue from the county is not permitted. The court shall expedite the hearing of the case. A court's judgment, except with respect to a matter raised under subsection (a)(5), must be that the:

(1) annexation will take place;

(2) annexation will not take place; or

(3) remonstrance is dismissed.

(f) If the court finds that the remonstrators have proved a reason for the remonstrance described in subsection (a)(1) through (a)(4), the court's judgment shall be that the annexation will not take place. If the remonstrators fail to prove a reason for the remonstrance described in subsection (a)(1) through (a)(4), the court's judgment shall be that the annexation will take place. If the remonstrators raise an issue under subsection (a)(5) in support of a remonstrance, the court's judgment may be either that the

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disposition, allocation, and amount set out in the annexing resolution are equitable or inequitable. If the court finds that the disposition, allocation, and amount set out in the annexing resolution are inequitable, the court shall provide for an equitable disposition, allocation, and amount. Costs will follow judgment. Appeals may be taken from any judgment of the court in the same manner as appeals are taken in other civil cases.

Sec. 15. With respect to whether the disposition of the assets and liabilities of the losing school corporation is equitable, the allocation of school tax receipts is equitable, and the amount to be paid by the acquiring school corporation is equitable, a court must be satisfied that the annexing resolution conforms substantially to the following standards:

(1) Except for current obligations or temporary borrowing, the acquiring school corporation shall assume a part of all installments of principal and interest on the indebtedness of the losing school corporation that is due after the end of the last calendar year in which the losing school corporation is entitled to receive current tax receipts from property tax levies on the property in the annexed territory. The part assumed by the acquiring school corporation consists of the following:

(A) All installments relating to any indebtedness incurred in connection with the acquisition or construction of a building located in the annexed territory.

(B) A proportion of all installments relating to any other indebtedness that is in the same proportion as the valuation of the real property in the annexed territory bears to the valuation of all the real property in the losing school corporation. Valuation under this clause is based upon the assessment for general taxation immediately before annexation.

(2) The acquiring school corporation shall make the payments and assume the obligations provided for a school corporation acquiring:

(A) territory;

(B) a building or buildings; or

(C) both territory and a building or buildings;

under IC 21-5-10.

(3) Unless the losing school corporation consents to another allocation, the part of the special school and tuition fund money collected by the losing school corporation shall not be

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allocated in a greater amount to the acquiring school corporation than would be awarded if the:

(A) two (2) corporations were respectively the original school corporation and the annexing school corporation under IC 20-23-16; and

(B) amount to be paid to the losing corporation by the acquiring school corporation based on the acquisition by the acquiring school corporation of a building in the annexed territory may not be less than would be awarded if the two (2) school corporations were respectively the acquiring school corporation and original school corporation under IC 20-23-16.

(4) If the annexed territory includes an entire losing school corporation, the acquiring school corporation shall:

(A) acquire all the property and assets of the losing school corporation without making any payments for the losing school corporation; and

(B) assume all of the liabilities and obligations of the losing school corporation.

Sec. 16. (a) If a remonstrance is filed on any ground other than a ground set forth in section 14(a)(5) of this chapter, annexation does not become effective until final judgment in the remonstrance suit. A judgment is not considered final until the time for taking an appeal has expired or, if an appeal is taken within the permitted time, until a final judgment is issued in the appeal.

(b) A judgment of a trial court dismissing a remonstrance is a final judgment, subject to subsection (a).

(c) If a judgment is against annexation, no further annexation of the annexed territory may occur for two (2) years after the date of the filing of the remonstrance. However, a judgment against annexation does not prevent either the:

(1) acquiring school corporation; or

(2) acquiring school corporation and the losing school corporation;

from rescinding the annexation resolution. If an annexation resolution is rescinded under this subsection, the suit must be dismissed without prejudice. If an annexation suit is dismissed without prejudice under this subsection, the two (2) year prohibition does not apply unless a subsequent annexation resolution is adopted primarily for the purpose of harassment and not for another purpose, such as the correction of procedural irregularities or a substantial change in the annexed territory or

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the annexation resolution.

(d) If a remonstrance relates solely to a matter raised under section 14(a)(5) of this chapter, the annexation takes effect at the time provided under section 11 or 12 of this chapter.

Sec. 17. Notwithstanding any other statute that provides that the boundaries of a school city or school town are coterminous or coextensive with the boundaries of a civil city or civil town, the boundaries of a school city may be changed after March 8, 1961, solely by annexation under this chapter if this chapter was in effect at the time the annexation became effective or finally effective.

Sec. 18. (a) Except as provided in subsection (b), a law or a part of a law in conflict with this chapter is void.

(b) This chapter may not be construed to invalidate IC 20-23-4, IC 20-23-16, or any other statute concerning the consolidation of two (2) or more school corporations to which this chapter is supplementary. However, IC 20-23-4 and IC 20-23-16 are void to the extent that IC 20-23-4 and IC 20-23-16 conflict with the subsequent provisions of this section.

(c) An annexation sought under this chapter does not require the approval of a:

(1) county committee;

(2) state commission; or

(3) committee created under or referred to in IC 20-23-4.

(d) Acts 1961, c.186, s.9, with respect to an annexation that is finally effective before February 25, 1969, operates after March 8, 1961, before and after a final plan is put into effect by:

(1) election;

(2) petition;

(3) another proceeding under IC 20-23-4 or IC 20-23-16; or

(4) another statute concerning the consolidation of two (2) or more school corporations.

Sec. 19. Acts 1961, c.186, s.9 is repealed regarding an annexation that is not effective or finally effective before February 25, 1969.

Sec. 20. (a) This section applies to a school city described in IC 20-25-2-12.

(b) All real estate belonging to a school city that:

(1) consists of lots and buildings on the real property of the school city; and

(2) has not been used for school purposes for at least five (5) years;

may be transferred to and placed under the jurisdiction of the board of park commissioners of the city in which the school city is

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located and must be operated, managed, controlled, and maintained as a recreation center for the use and benefit of the city.

Chapter 6. Determination of School City Conditions and Needs

Sec. 1. The following school city conditions and needs are found to exist on January 1, 1995:

(1) Education in the school city presents unique challenges.

(2) Student achievement in the school city on statewide tests consistently has been significantly below:

(A) the state average; and

(B) achievement attained in school corporations adjacent to the school city.

(3) The need for remediation of students in the school city consistently has been significantly higher than:

(A) the state average; and

(B) remediation rates in school corporations adjacent to the school city.

(4) Graduation rates in the school city consistently have been significantly below:

(A) the state average; and

(B) graduation rates in school corporations adjacent to the school city.

(5) Student attendance rates in the school city consistently have been below:

(A) the state average; and

(B) student attendance rates in school corporations adjacent to the school city.

(6) There are individual schools in the school city whose students are achieving, but overall student achievement in the school city is unsatisfactory.

(7) Improving education in the school city requires unique legislative intervention.

(8) Educator driven school level control of efforts to improve student achievement in their schools and a program of performance awards in the school city will encourage the development and use of:

(A) innovative teaching methods;

(B) improved opportunities for teacher professional development;

(C) programs achieving greater levels of parental involvement;

(D) more efficient administrative efforts; and

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(E) improved student achievement.

(9) Greater accountability among educators in their schools, including:

(A) evaluations based on student achievement measures and administrative efficiency criteria; and

(B) annual reports to the public regarding student achievement information and administrative performance measures;

will encourage the development and use of creative and innovative educational methods and improve student achievement.

(10) Providing a range of remediation opportunities to students in the school city who:

(A) fail to meet state achievement standards; or

(B) are determined to be at risk of academic failure by the board;

will enhance the educational opportunities available to students and improve student performance.

(11) Enhanced intervention for schools whose students fail to meet expected performance levels will improve the:

(A) educational opportunities; and

(B) educational achievement;

in the school city.

(12) Allowing students to attend neighborhood schools and the development and implementation of a plan by the board to increase student performance and achievement in the school city are necessary to:

(A) achieve the legislative objectives referred to in this section;

(B) meet the unique challenges to education in the school city; and

(C) improve student achievement in the school city.

Chapter 7. Neighborhood Schools

Sec. 1. The school city shall offer a parental choice program that allows a parent the opportunity to choose the school in the school city that the parent's child will attend.

Sec. 2. (a) The board shall establish appropriate criteria to:

(1) set priorities for parental choices; and

(2) assign students to schools.

(b) Criteria established under this section must provide that if the parent of a student chooses to enroll the student in a neighborhood school, the student will be assigned to the

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neighborhood school, subject only to building capacity limitations.

Chapter 8. Parental Involvement in Schools

Sec. 1. As used in this chapter, the term "student's parent" includes the foster parent of a student.

Sec. 2. (a) Each school in the school city shall develop a written compact among:

(1) the school;
(2) the students;
(3) the students' teachers; and
(4) the students' parents.

(b) A written compact must contain the expectations for:

(1) the school;
(2) the student;
(3) the student's teachers; and
(4) the student's parent.

(c) Each educator at the school shall affirm and sign the compact.

(d) Each student and the student's parent shall go to the school before the start of each school year to sign and affirm the compact.

Sec. 3. Each school shall report to the county office of family and children the names of foster parents who have not completed a compact under this chapter.

Chapter 9. Performance Measures for Student Achievement

Sec. 1. IC 20-31-8 applies to the school city and its schools. The board shall use the student performance improvement levels established under IC 20-25-11 to:

(1) assess;
(2) report; and
(3) improve;

the performance of schools, educators, and students in the school city.

Sec. 2. The board shall use state achievement standards to identify students in need of summer remediation services.

Sec. 3. The board shall use the student performance improvement levels established under IC 20-25-11 to:

(1) implement the board's plan;
(2) evaluate school performance;
(3) publish annual reports; and
(4) determine academic receivership under IC 20-25-15.

Sec. 4. The board shall use student performance improvement levels to determine whether to place a school in academic receivership under IC 20-25-15.

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Sec. 5. Each school in the school city shall measure and record:

(1) the students' achievement in reaching the school's student performance improvement levels established under IC 20-25-11;

(2) student achievement information for the school described in IC 20-20-8-8 and IC 20-25-9-6; and

(3) teacher and administrative performance information for the school described in IC 20-25-9-6;

which in each case must not be less rigorous than the student performance improvement levels and information developed and required under IC 20-31-8.

Sec. 6. For all schools under this article, the report must include the following, in addition to the requirements of IC 20-20-8-8:

(1) Student achievement information as follows:

(A) For each elementary and middle school, grade advancement rates.

(B) For each high school, the percentage of students who apply to, are accepted by, and attend a college, university, or other postsecondary educational institution after high school.

(2) Administrative performance measures as follows:

(A) School receipts and expenditures by source, compared with budget amounts.

(B) Total school enrollment.

(C) The school's general fund expenditures per student and total expenditures per student.

(D) The amount and percentage of the school's general fund expenditures and the amount and percentage of total expenditures directly reaching the classroom as determined by a formula to be established by the board.

(E) Teacher/pupil ratios totaled by class, grade, and school.

(F) Administrator/pupil ratio for the school.

(G) Teacher attendance rates totaled by class, grade, and school.

(3) Achievement on the annual performance objectives identified under IC 20-25-11.

(4) The performance objectives established under IC 20-25-11 for the upcoming school year.

(5) State and school city averages for each of the measures set forth in subdivisions (1) through (2), if available.

Chapter 10. Board Plan for Improvement of Student Achievement

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Sec. 1. (a) The board shall modify, develop, and implement a plan for the improvement of student achievement in the schools in the school city.

(b) A plan modified, developed, and implemented under this chapter must be consistent with this article and with IC 20-31-1, IC 20-31-2, IC 20-31-5, IC 20-31-6, IC 20-31-7, IC 20-31-8, IC 20-31-9, and IC 20-31-10.

Sec. 2. The plan modified, developed, and implemented under this chapter must do the following:

(1) Provide for efforts to increase support of the schools by:

(A) the parents of students; and

(B) the neighborhood communities surrounding the schools.

(2) Establish student performance improvement levels for students in each school in the school city that are not less rigorous than the student performance improvement levels developed under IC 20-31.

(3) Provide opportunity and support for the educators in each school to develop a school plan, including:

(A) traditional or innovative methods and approaches to improve student achievement; and

(B) efficient and cost effective management efforts in the school;

that are developed consistently with IC 20-25-12-1 and with the board's plan developed under this chapter.

(4) Require annual reports identifying the progress of student achievement for each school as described in IC 20-20-8-8 and IC 20-25-9-6.

(5) Provide for the effective evaluation of:

(A) each school in the school city; and

(B) the school's educators;

including the consideration of student achievement in the school.

(6) Provide a range of opportunity for remediation of students who:

(A) fail to meet state achievement standards; or

(B) are at risk of academic failure.

(7) Require action to raise the level of performance of a school if the school's students fail to achieve student performance improvement levels established for the school under IC 20-25-11-1.

Sec. 3. The board shall:

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(1) modify, develop, and publish the plan required under this chapter; and

(2) implement the modified plan;

in compliance with the timelines of IC 20-31-1, IC 20-31-2, IC 20-31-5, IC 20-31-6, IC 20-31-7, IC 20-31-8, IC 20-31-9, and IC 20-31-10.

Sec. 4. If the board revises the plan required under this chapter after the plan is published, the board shall publish the revisions.

Sec. 5. (a) The board shall annually assess and evaluate educational programs offered by the school city to determine:

(1) the relationship of the programs to improved student achievement; and

(2) the educational value of the programs in relation to cost.

(b) The board may obtain information from:

(1) educators in the schools offering a program;

(2) students participating in a program; and

(3) the parents of students participating in a program;

in preparing an assessment and evaluation under this section. The assessment must include the performance of the school's students in achieving student performance improvement levels under IC 20-31-1, IC 20-31-2, IC 20-31-5, IC 20-31-6, IC 20-31-7, IC 20-31-8, IC 20-31-9, IC 20-31-10, and IC 20-25-11.

Chapter 11. Annual Performance Objectives

Sec. 1. The board shall establish annual student performance improvement levels for each school that are not less rigorous than the student performance improvement levels under IC 20-31-1, IC 20-31-2, IC 20-31-5, IC 20-31-6, IC 20-31-7, IC 20-31-8, IC 20-31-9, and IC 20-31-10, including the following:

(1) For students:

(A) improvement in results on assessment tests and assessment programs;

(B) improvement in attendance rates; and

(C) improvement in progress toward graduation.

(2) For teachers:

(A) improvement in student results on assessment tests and assessment programs;

(B) improvement in the number and percentage of students achieving:

(i) state achievement standards; and

(ii) if applicable, performance levels set by the board;

on assessment tests;

(C) improvement in student progress toward graduation;

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(D) improvement in student attendance rates for the school year;
(E) improvement in individual teacher attendance rates;
(F) improvement in:
(i) communication with parents; and
(ii) parental involvement in classroom and extracurricular activities; and
(G) other objectives developed by the board.
(3) For the school and school administrators:
(A) improvement in student results on assessment tests, totaled by class and grade;
(B) improvement in the number and percentage of students achieving:
(i) state achievement standards; and
(ii) if applicable, performance levels set by the board;
on assessment tests, totaled by class and grade;
(C) improvement in:
(i) student graduation rates; and
(ii) progress toward graduation;
(D) improvement in student attendance rates;
(E) management of:
(i) general fund expenditures; and
(ii) total expenditures;
per student;
(F) improvement in teacher attendance rates; and
(G) other objectives developed by the board.

Chapter 12. School Plans for Improvement

Sec. 1. (a) IC 20-31-1, IC 20-31-2, IC 20-31-5, IC 20-31-6, IC 20-31-7, IC 20-31-8, IC 20-31-9, and IC 20-31-10 apply to the school city. The composition of a local school improvement committee is determined under IC 20-31-1, IC 20-31-2, IC 20-31-5, IC 20-31-6, IC 20-31-7, IC 20-31-8, IC 20-31-9, and IC 20-31-10.

(b) The plan developed and implemented by the board under IC 20-25-10 must contain general guidelines for decisions by the educators in each school to improve student achievement in the school.

(c) The board's plan shall provide for the publication to other schools in the school city and to the general community those:
(1) processes;
(2) innovations; and
(3) approaches;
that have led individual schools to significant improvement in

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student achievement.

Sec. 2. (a) Educators in each school are responsible for improving student achievement in the school and may develop the educators' own school plan to achieve improvement that:

(1) conforms to the guidelines issued by the board; and

(2) has a cost that does not exceed the amount allocated to the school under section 5 of this chapter.

(b) Educators may use traditional or innovative techniques that the educators believe will:

(1) best maintain a secure and supportive educational environment; and

(2) improve student achievement.

Sec. 3. Each school's plan must include the development and maintenance of efforts to increase parental involvement in educational activities.

Sec. 4. School plans must promote:

(1) increased options for; and

(2) innovative and successful approaches to;

improving student achievement.

Sec. 5. The approved general fund budget for each school for a school year must be, as nearly as is reasonable and practicable, proportionate to the total general fund budget for the school city in the same ratio as the school's estimated ADM compares to the school city's estimated ADM for that school year.

Sec. 6. (a) Each school's educators may:

(1) determine the educational resources, goods, and services that are necessary and appropriate for improving student performance in the school; and

(2) obtain or purchase the educational resources, goods, and services.

(b) Purchases and acquisitions under this section are subject to:

(1) the general guidelines developed by the board; and

(2) the school's budget.

Sec. 7. Subject to the general guidelines developed by the board and after consulting with the school's teachers, each school's administrators may determine the:

(1) sources of; and

(2) part of;

the school's available budget allocated for noneducational goods and services.

Sec. 8. (a) If, as a result of a school's efforts to incur less expense than was budgeted in a fiscal year, the school has excess general

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fund money after the school's expenses for the fiscal year are paid in full, the school retains control of the excess.

(b) The school shall use excess general fund money retained under this section during the following school year for:

(1) professional development of the school's educators; and

(2) other classroom instructional purposes;

under the general guidelines developed by the board.

(c) The board may not consider a school's excess general fund money retained under this section when setting or approving the school's budget for subsequent years.

Chapter 13. Staff Performance Evaluations

Sec. 1. IC 20-28-11 does not apply to a school city.

Sec. 2. Each school year, a school shall develop and implement a staff performance evaluation plan to evaluate the performance of the school's certified employees under guidelines established by the board.

Sec. 3. A staff performance evaluation plan must do the following:

(1) Provide for evaluation of the school's and the school's educators' performance based on the school's students' performance improvement level under IC 20-25-11, including the following:

(A) Student achievement on assessment tests and assessment programs.

(B) Graduation rates.

(C) Scholastic aptitude test scores.

(D) Other objective standards developed by the board for measuring student, teacher, and administrator performance improvement consistent with:

(i) state academic standards; and

(ii) student performance improvement levels developed under IC 20-25-11.

(2) Provide for:

(A) the continuing professional development; and

(B) improvement of the performance;

of the individuals evaluated.

(3) Require periodic assessment of the effectiveness of the plan.

Sec. 4. A staff performance evaluation plan may provide the basis for making employment decisions.

Sec. 5. Development and implementation of a staff performance evaluation plan for each school is a condition for accreditation for

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the school under IC 20-19-2-8(a)(5).

Sec. 6. A staff performance evaluation plan must:

(1) comply with guidelines established by; and

(2) be approved by;

the board.

Sec. 7. IC 20-28-6-4 and IC 20-28-6-5 apply to certificated employees in the school city. A teacher's students' performance improvement levels under the assessment tests and programs of IC 20-31-1, IC 20-31-2, IC 20-31-5, IC 20-31-6, IC 20-31-7, IC 20-31-8, IC 20-31-9, and IC 20-31-10 may be used as a factor, but not the only factor, to evaluate the performance of a teacher in the school city.

Chapter 14. Summer Remediation

Sec. 1. (a) The school city must provide summer remediation services to each student in a designated grade level who does not meet state achievement standards.

(b) The school city may provide summer remediation services to students of any other grade level who are determined by the school city to be at risk of academic failure.

Sec. 2. The board may:

(1) request and receive competitive proposals from:

(A) a school of the school city;

(B) another public educational institution; or

(C) a group of educators from the school city;

to provide summer remediation services under guidelines and specified performance standards established by the board; and

(2) contract with one (1) or more providers listed in subdivision (1) to provide summer remediation services to students in the school city.

Sec. 3. The school city:

(1) shall pay the cost of summer remediation services; and

(2) may use all available funding from the state for the payment.

The purchase of remediation services is eligible for state reimbursement in the same manner as other state funding, including summer school funding.

Sec. 4. (a) Summer remediation services provided by contractors under section 2 of this chapter shall be provided at no tuition cost to the student.

(b) Upon the request of the parent of a student described in section 1 of this chapter, the school city shall provide the parent

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with a summer remediation subsidy in an amount equal to fifty percent (50%) of the lowest per student cost of summer remediation services provided by a contractor under section 2 of this chapter.

(c) A parent to whom a summer remediation subsidy is provided may use the subsidy to purchase summer remediation services from a provider located in Marion County. The parent may choose to use the remediation subsidy at an accredited public school. If the amount of tuition for the remediation services is greater than the amount of the remediation subsidy provided to the parent, the parent is responsible for the additional amount.

(d) The allocated remediation subsidy is payable to a provider of remediation services upon the provider's enrollment of the student in the remediation program.

(e) Payment of a remediation subsidy fulfills the obligation under this chapter of the school city to provide remediation services to a student.

(f) If a student who has received a remediation subsidy does not complete a remediation program, the provider of remediation services shall refund the remediation subsidy on a pro rata basis to the school city.

Chapter 15. Academic Receivership

Sec. 1. In addition to the consequences of IC 20-31-9, the board shall place a school in the school city in academic receivership if the school fails for any two (2) consecutive school years to meet student performance improvement levels.

Sec. 2. Before August 1 of a school year for which a school is placed in academic receivership, the superintendent and the board shall require the following:

(1) Evaluation of each administrator at the school.

(2) Evaluation of each teacher at the school.

(3) Evaluation of the school's educational plan.

(4) Consideration of:

(A) personnel;

(B) management;

(C) plan; and

(D) policy;

changes for the school to improve student performance at the school.

(5) Identification of significant;

(A) management;

(B) personnel;

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(C) plan; or

(D) policy;

changes that in the board's judgment must be implemented to improve the school's performance.

Sec. 3. (a) If a school is placed in academic receivership, the superintendent and the board must take action to raise the school's level of performance.

(b) In addition to the consequences of IC 20-31-9, the actions that the superintendent and the board may take to raise the performance of a school in academic receivership include the following:

(1) Shifting resources of the school city to the school.

(2) Changing or removing:

(A) the school principal;

(B) teachers;

(C) administrators; or

(D) other staff.

(3) Establishing a new educational plan for the school.

(4) Requiring the superintendent or another school city appointee to administer the school until the academic receivership status of the school is removed.

(5) Contracting with a:

(A) for-profit organization;

(B) nonprofit organization; or

(C) individual;

to manage the school.

(6) Closing the school.

(7) Any other management, personnel, or policy changes that the superintendent and board expect in the following school year to:

(A) raise the performance of the school; and

(B) avoid continuing academic receivership status for the school.

(c) If this chapter is inconsistent with any other law relating to:

(1) education;

(2) teachers; or

(3) common schools;

this chapter governs.

Chapter 16. Additional Powers to Modify Policies and Waive Requirements, Lease Property, and Transfer Funds

Sec. 1. To provide the board with the necessary flexibility and resources to carry out this article, the following apply:

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(1) The board may:

(A) eliminate or modify existing policies;

(B) create new policies; and

(C) alter policies;

subject to this article and the plan developed under IC 20-25-10.

(2) IC 20-29 applies to the school city, except for the provision of IC 20-29-6-7(a) that requires any items included in the 1972-1973 agreements between an employer school corporation and an employee organization to continue to be bargainable.

(3) The board may waive the following statutes and rules for any school in the school city without administrative, regulatory, or legislative approval:

(A) The following rules concerning curriculum and instructional time:

511 IAC 6.1-3-4
511 IAC 6.1-5-0.5
511 IAC 6.1-5-1
511 IAC 6.1-5-2.5
511 IAC 6.1-5-3.5
511 IAC 6.1-5-4.

(B) 511 IAC 6.1-4-1 concerning student/teacher ratios.

(C) The following statutes and rules concerning textbooks and rules adopted under the statutes:

IC 20-20-5-1 through IC 20-20-5-4
IC 20-20-5-23
IC 20-26-12-24
IC 20-26-12-26
IC 20-26-12-28
IC 20-26-12-1
IC 20-26-12-2
511 IAC 6.1-5-5.

(D) 511 IAC 6.1-4-2 concerning school principals.

(4) Notwithstanding any other law, a school city may do the following:

(A) Lease school transportation equipment to others for nonschool use when the equipment is not in use for a school city purpose.

(B) Establish a professional development and technology fund to be used for:

(i) professional development; or

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(ii) technology, including video distance learning.

(C) Transfer funds obtained from sources other than state or local government taxation to any account of the school corporation, including a professional development and technology fund established under clause (B).

(5) Transfer funds obtained from property taxation to the general fund (established under IC 21-2-11) and the school transportation fund (established under IC 21-2-11.5), subject to the following:

(A) The sum of the property tax rates for the general fund and the school transportation fund after a transfer occurs under this subdivision may not exceed the sum of the property tax rates for the general fund and the school transportation fund before a transfer occurs under this subdivision.

(B) This subdivision does not allow a school corporation to transfer to any other fund money from the debt service fund established under IC 21-2-4.

SECTION 10. IC 20-26 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE 26 TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

ARTICLE 26. SCHOOL CORPORATIONS: GENERAL ADMINISTRATIVE PROVISIONS

Chapter 1. Applicability

Sec. 1. IC 20-26-1 through IC 20-26-5 and IC 20-26-7 apply to all school corporations.

Chapter 2. Definitions

Sec. 1. Notwithstanding IC 20-18-2, the definitions in this chapter apply in IC 20-26-1 through IC 20-26-5 and IC 20-26-7.

Sec. 2. "Governing body" refers to the board of commissioners charged by law with the responsibility of administering the affairs of a school corporation, including a:

(1) board of school commissioners;

(2) metropolitan board of education;

(3) board of school trustees; or

(4) board of trustees.

Sec. 3. "Member" means a member of a governing body.

Sec. 4. "School corporation" means a local public school corporation established under Indiana law, including a:

(1) school city;

(2) school town;

(3) metropolitan school district;

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(4) consolidated school corporation;
(5) county school corporation;
(6) community school corporation; and
(7) united school corporation.

The term does not include a school township.

Sec. 5. "School purposes" means the general purposes and powers specified in IC 20-26-5-1 and IC 20-26-5-4. However, the delineation of a specific power in IC 20-26-5-4 is not a limitation on the general powers and purposes set out in IC 20-26-5-1.

Chapter 3. Home Rule

Sec. 1. Notwithstanding any other law and subject to section 7 of this chapter, the policy of the state is to grant to each school corporation all the powers needed for the effective operation of the school corporation.

Sec. 2. (a) The rule of law that any doubt as to the existence of a power of a school corporation must be resolved against the existence of the power is abrogated.

(b) Any doubt as to the existence of a power of a school corporation must be resolved in favor of the existence of the power. This rule applies when a statute granting the power has been repealed.

Sec. 3. (a) The rule of law that a school corporation has only:
(1) powers expressly granted by statute;
(2) powers necessarily or fairly implied in or incident to powers expressly granted through rules adopted by the state board under IC 4-22-2 or otherwise; and
(3) powers indispensable to the declared purposes of the school corporation;

is abrogated.

(b) A school corporation has:
(1) all powers granted to the school corporation by statute or through rules adopted by the state board; and
(2) all other powers necessary or desirable in the conduct of the school corporation's affairs, even if the power is not granted by statute or rule.

(c) The powers that school corporations have under subsection (b)(1) are listed in various statutes. However, these statutes do not list the powers that school corporations have under subsection (b)(2). The omission of a power from a list does not imply that school corporations lack that power.

Sec. 4. A school corporation may exercise any power the school corporation possesses to the extent that the power:

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(1) is not expressly denied by the Constitution of the State of Indiana, by statute, or by rule of the state board; and

(2) is not expressly granted to another entity.

Sec. 5. (a) If there is a constitutional or statutory provision requiring a specific manner for exercising a power, a school corporation that exercises the power shall exercise the power in the specified manner as a minimum requirement.

(b) If there is not a constitutional or statutory provision requiring a specific manner for exercising a power, a school corporation that exercises the power shall:

(1) adopt a written policy prescribing a specific manner for exercising the power; or

(2) comply with a statutory provision permitting a specific manner for exercising the power.

(c) A written policy under subsection (b)(1) must be adopted by the governing body of the school corporation.

Sec. 6. A state agency and other agencies may review or regulate the exercise of powers by a school corporation only to the extent prescribed by statute.

Sec. 7. A school corporation does not have any of the following powers:

(1) Powers expressly prohibited of a unit under IC 36-1-3-8.

(2) Power for eminent domain, unless specifically authorized by statute.

(3) Power to prescribe a civil penalty or a fine.

(4) Power to adopt ordinances.

(5) Power to require the attendance of witnesses and the production of documents relative to matters being considered, unless specifically authorized by statute.

(6) Power to exercise powers outside the boundaries of the school corporation, unless authorized by statute through a joint agreement or otherwise.

Chapter 4. Organization and Operation of Governing Body

Sec. 1. (a) As used in this section, "electronic funds transfer" means a transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, that is initiated through an electronic terminal, telephone, or computer or magnetic tape to order, instruct, or authorize a financial institution to debit or credit an account.

(b) The governing body of each school corporation shall organize by electing:

(1) a president;

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(2) a vice president; and

(3) a secretary;

each of whom is a different member, not more than fifteen (15) days after the commencement date of the members' terms of office, as provided in section 4 of this chapter.

(c) A governing body shall, at the time that officers are elected under subsection (b), appoint a treasurer of the governing body and of the school corporation who is a person, other than the superintendent of schools, who is not a member of the governing body. The treasurer may, with the approval of the governing body, appoint a deputy who must be a person, other than the superintendent of schools, who is not a member of the governing body and who has the same powers and duties as the treasurer, or lesser duties as provided by the governing body by rule.

(d) The treasurer is the official custodian of all funds of the school corporation and is responsible for the proper safeguarding and accounting for the funds. The treasurer shall:

(1) issue a receipt for money received by the treasurer;

(2) deposit money described in subdivision (1) in accordance with the laws governing the deposit of public funds; and

(3) issue all warrants in payment of expenses lawfully incurred on behalf of the school corporation. However, except as otherwise provided by law, warrants described in this subdivision must be issued only after proper allowance or approval by the governing body. The governing body may not require an allowance or approval for amounts lawfully due in payment of indebtedness or payments due the state, the United States government, or agencies and instrumentalities of the state or the United States government.

A verification, other than a properly itemized invoice, may not be required for any claim of one hundred dollars ($100) or less. A claim that exceeds one hundred dollars ($100) is sufficient as to form if the bill or statement for the claim has printed or stamped on the face of the bill or statement a verification of the bill or statement in language approved by the state board of accounts.

(e) Notwithstanding subsection (d), a treasurer may transact school corporation financial business with a financial institution or a public retirement fund through the use of electronic funds transfer. The treasurer must provide adequate documentation to the governing body of transfers made under this subsection. This subsection applies only to agreements for joint investment of money under IC 5-13-9 and to payments to:

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(1) the Indiana state teachers' retirement fund; or

(2) the public employees' retirement fund;

from participating employers.

(f) A treasurer is not personally liable for an act or omission occurring in connection with the performance of the duties set forth in this section, unless the act or omission constitutes gross negligence or an intentional disregard of the treasurer's duties.

(g) A governing body may establish the position of executive secretary to the governing body. The executive secretary:

(1) must be an employee of the school corporation;

(2) may not be a member of the governing body; and

(3) must be appointed by the governing body upon the recommendation of the superintendent of the school corporation.

The governing body shall determine the duties of the executive secretary, which may include all or part of the duties of the secretary of the board.

Sec. 2. A person elected or selected to be a member of a governing body shall take the following oath before taking office:

"I solemnly swear (or affirm) that I will support the Constitution of the United States of America, the Constitution of the State of Indiana, and the laws of the United States and the State of Indiana. I will faithfully execute the duties of my office as a member of this governing body, so help me God."

However, the governing body may provide for additional provisions to the oath that the governing body considers appropriate for the office.

Sec. 3. (a) Regular meetings must be held by each governing body at a time and place established by resolution of the board or may be incorporated in the rules provided in IC 20-26-5-4. A notice need not be given a member for holding or taking any action at a regular meeting.

(b) If a meeting is held according to a procedure set forth by statute or rule and if publication of notice of the meeting is required, notice of the meeting is not required and need not be given a member for holding or taking any action at the meeting contemplated by the notice. The meeting must be held at the time and place specified in the published notice.

(c) Special meetings of a governing body must be held on call by the governing body's president or by the superintendent of the school corporation. The call must be evidenced by a written notice specifying the date, time, and place of the meeting, delivered to

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each member personally or sent by mail or telegram so that each member has at least seventy-two (72) hours notice of the special meeting. Special meetings must be held at the regular meeting place of the board.

(d) All meetings of a governing body must be open to the public to the extent required by IC 5-14-1.5. The governing body shall comply with IC 5-14-1.5.

(e) If notice of a meeting is required and each member of a governing body has waived notice of the meeting, as provided in this subsection, notice of the meeting is not necessary. Waiver of notice of a meeting by a member consists of the following:

(1) The member's presence at the meeting.

(2) The member's execution of a written notice waiving the date, time, and place of the meeting, executed either before or after the meeting. However, if notice is executed after the meeting, the waiver must also state in general terms the purpose of the meeting. If a waiver specifies that the waiver was executed before the meeting, third persons are entitled to rely on the statement.

(f) At a meeting of the governing body, a majority of the members constitutes a quorum. Action may not be taken unless a quorum is present. Except where a larger vote is required by statute or rule with respect to any matter, a majority of the members present may adopt a resolution or take any action.

(g) All meetings of the governing body for the conduct of business must be held within the school corporation, except as follows:

(1) Meetings may be held at the administrative offices of the school corporation if the offices are outside the geographic limits of the school corporation but are within a county where all or a part of the school corporation is located.

(2) Meetings may be held at a place where the statute or rule according to which a statutory meeting is held permits meeting outside the school corporation, as may occur when the meeting is held jointly with another governing body.

Sec. 4. (a) This section does not apply to a school city of the first class or to a school corporation succeeding to all or the major part in area of a school city of the first class.

(b) The commencement and termination of terms of members of a governing body are as follows:

(1) Except as provided in subdivision (2), the governing body of each school corporation shall determine whether the term

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of office for the governing body's members extends from January 1 to December 31 or from July 1 to June 30. A governing body that makes a change in the commencement date of the governing body's members' terms shall report the change to the state board before August 1 preceding the year in which the change takes place. An ex officio member of a governing body shall take office at the time the ex officio member takes the oath of the office by virtue of which the ex officio member is entitled to become an ex officio member.

(2) In a county having a population of more than four hundred thousand (400,000), the terms of office for the members of a governing body, whether elected or appointed, commence on July 1 of the year in which the members are to take office under the plan, resolution, or law under which the school corporation is established, and terminate on the June 30 of the final year of the term for which the members are to serve under the plan, resolution, or law.

(c) If a vacancy in the membership of a governing body occurs for any reason (including the failure of a sufficient number of petitions for candidates for governing body membership being filed for an election and whether the vacancy was of an elected or appointed member), the remaining members of the governing body shall by majority vote fill the vacancy by appointing a person from within the boundaries of the school corporation, with the residence and other qualifications provided for a regularly elected or appointed board member filling the membership, to serve for the term or the balance of the term. However, this subsection does not apply to a vacancy:

(1) of a member who serves on a governing body in an ex officio capacity; or

(2) a vacancy in an appointed board membership if a plan, resolution, or law under which the school corporation operates specifically provides for filling vacancies by the appointing authority.

Sec. 5. For each school year commencing July 1, the treasurer of each governing body and the governing body's school corporation and a deputy treasurer, if so appointed, shall give a bond for the faithful performance of the treasurer's and deputy treasurer's duties written by an insurance company licensed to do business in Indiana, in an amount determined by the governing body. The treasurer shall be responsible under the treasurer's bond for the acts of a deputy treasurer appointed as provided in

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section 1 of this chapter.

Sec. 6. (a) The governing body of any school corporation may designate a committee of at least two (2) of the governing body's members, or a committee of not less than two (2) employees of the school corporation, to open and tabulate bids:

(1) in connection with the purchase of supplies, material, or equipment;

(2) for the construction or alteration of a building or facility; or

(3) for any similar purpose.

(b) Bids described in subsection (a):

(1) may be opened by the committee at the time and place fixed by the advertisement for bids;

(2) must be read aloud and tabulated publicly, to the extent required by law for governing bodies; and

(3) must be available for inspection.

(c) The bids described in subsection (a) must be reported to and the tabulation entered upon the records of the governing body at the governing body's next meeting following the bid opening.

(d) A bid described in subsection (a) may not be accepted or rejected by the committee, but the bid must be accepted or rejected solely by the governing body in a board meeting open to the public as provided in section 3 of this chapter.

Sec. 7. (a) Except as provided in IC 20-25-3-3, the governing body of a school corporation by resolution has the power to pay each member of the governing body a reasonable amount for service as a member, not to exceed:

(1) two thousand dollars ($2,000) per year; and

(2) a per diem not to exceed the rate approved for members of the board of school commissioners under IC 20-25-3-3(d).

(b) If the members of the governing body are totally comprised of appointed members, the appointive authority under IC 20-23-4-28(e) shall approve the per diem rate allowable under subsection (a)(2) before the governing body may make the payments.

(c) To make a valid approval under subsection (b), the appointive authority must approve the per diem rate with the same endorsement required under IC 20-23-4-28(f) to make the appointment of the member.

Sec. 8. Notwithstanding any other law, the president and secretary of the governing body of a school corporation are entitled, on behalf of the school corporation, to sign any contract,

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including employment contracts and contracts for goods and services. However, each contract must be approved by a majority of all members of the governing body. In the absence of either the president or secretary of the governing body, the vice president is entitled to sign the contracts with the officer who is present.

Sec. 9. An individual who is at least twenty-one (21) years of age and is otherwise eligible to assume office as a member of a governing body may not be disqualified on the basis of age.

Sec. 10. Property ownership is not a qualification for serving as a member of a governing body.

Sec. 11. In addition to any other eligibility requirements for members of the governing body of a school corporation as set forth in law, an individual who is employed as a teacher or as a noncertificated employee (as defined in IC 20-29-2-11) of the school corporation may not be a member of the governing body of the school corporation.

Chapter 5. General Powers and Duties

Sec. 1. (a) A school corporation shall:

(1) conduct an educational program for all children who reside within the school corporation in kindergarten and in grades 1 through 12; and

(2) provide each preschool child with a disability with an appropriate special education as required under IC 20-35-4-9 only if the general assembly appropriates state funds for preschool special education.

(b) A school corporation may:

(1) conduct an educational program for adults and children at least fourteen (14) years of age who do not attend a program described in subsection (a);

(2) provide instruction in vocational, industrial, or manual training;

(3) provide libraries for the schools of the school corporation;

(4) provide public libraries open and free for the use and benefit of the residents and taxpayers of the school corporation where permitted by law;

(5) provide vacation school and recreational programs;

(6) conduct other educational or other activities as are permitted or required to be performed by law by any school corporation; and

(7) provide a school age child care program that operates during periods when school is in session for students who are enrolled in a half-day kindergarten program.

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(c) A school corporation shall develop a written policy that provides for:

(1) the implementation of a school age child care program for children who attend kindergarten through grade 6 that, at a minimum, operates after the school day and may include periods before school is in session or periods when school is not otherwise in session (commonly referred to as a latch key program) and is offered by the school corporation; or

(2) the availability of the school corporation's buildings or parts of the school corporation's buildings to conduct the type of program described in subdivision (1) by a nonprofit organization or a for-profit organization.

(d) The written policy required under subsection (c) must address compliance with certain standards of reasonable care for children served by a child care program offered under subsection (c), including:

(1) requiring the offering entity to acquire a particular amount of liability insurance; and

(2) establishing maximum adult to child ratios governing the overall supervision of the children served.

If a school corporation implements a child care program as described in subsection (c)(1) or enters into a contract with an entity described in subsection (c)(2) to provide a child care program, the school corporation may not assess a fee for the use of the building, and the contract between the school corporation and the entity providing the program must be in writing. However, the school corporation may assess a fee to reimburse the school corporation for providing security, maintenance, utilities, school personnel, or other costs directly attributable to the use of the building for the program. In addition, if a school corporation offers a child care program as described in subsection (c)(1), the school corporation may assess a fee to cover costs attributable to implementing the program.

(e) The powers under this section are purposes as well as powers.

Sec. 2. (a) Notwithstanding section 1 of this chapter, except as provided in subsection (c), a school corporation shall do one (1) of the following:

(1) Conduct a school age child care program (commonly referred to as a latch key program) for children who attend kindergarten through grade 6 that, at a minimum:

(A) operates after the school day and may include periods

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before school is in session or periods when school is not otherwise in session and is offered by the school corporation; and

(B) is available to all children in the applicable grade levels within the school corporation.

(2) Contract with a nonprofit or for-profit organization to:

(A) conduct the type of program described in subdivision (1); and

(B) use school buildings or parts of school buildings in conducting the program.

A contract entered into under this subdivision must be in writing.

However, a school corporation is not required to conduct the school corporation's child care program or to contract for a child care program for kindergarten students at times when grades 1 through 6 are in session.

(b) A school corporation shall develop a written policy that addresses compliance with certain standards of reasonable care for children served by a child care program required under subsection (a), including the following:

(1) Requiring the offering entity to acquire a particular amount of liability insurance.

(2) Establishing maximum adult to child ratios governing the overall supervision of the children served.

A school corporation may not assess a fee for the use of a building for a child care program required under subsection (a). However, the school corporation may assess a fee to reimburse the school corporation for providing security, maintenance, utilities, school personnel, or other costs directly attributable to the use of a building for a child care program. If a school corporation conducts a child care program under subsection (a)(1), the school corporation may assess a fee to cover costs attributable to implementing the program.

(c) A school corporation shall receive a waiver from the state board of the requirement under subsection (a) if the school corporation believes that the school corporation would experience an undue hardship due to a low number of eligible children intending to use a child care program, regardless of whether the child care program is conducted by the school corporation or under a contractual agreement. To receive a waiver, the school corporation must include a detailed description of the school corporation's attempt to implement a child care program,

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including the following:

(1) A description of the steps taken to:

(A) conduct a child care program described in subsection (a)(1); or

(B) actively solicit nonprofit organizations or for-profit organizations to implement a child care program as provided in subsection (a)(2).

(2) Evidence that a request in writing was made to each parent to contact the school corporation to indicate the parent's willingness to use a child care program and documentation of the results received from parents.

Sec. 3. (a) This section applies to a school age child care program (commonly referred to as a latch key program) operated by a nonprofit or for-profit organization under section 1 or 2 of this chapter.

(b) Before awarding a contract to operate a child care program described in subsection (a), a school corporation must comply with IC 5-22-9.

(c) In a request for proposals prepared under subsection (b), a school corporation must require each responding organization to specify the fee schedule the organization proposes to charge parents for the use of the child care program.

(d) An organization that operates a child care program described in subsection (a) must comply with the guidelines developed by the department and the school corporation for child care programs described in subsection (a).

Sec. 4. In carrying out the school purposes of a school corporation, the governing body acting on the school corporation's behalf has the following specific powers:

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

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

(3) To appropriate from the school corporation's general fund an amount, not to exceed the greater of three thousand dollars ($3,000) per budget year or one dollar ($1) per pupil, not to exceed twelve thousand five hundred dollars ($12,500), based on the school corporation's previous year's average daily

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membership (as defined in IC 21-3-1.6-1.1) to promote the best interests of the school corporation through:

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

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

(C) developing relations with other governmental units.

(4) To:

(A) Acquire, construct, erect, maintain, hold, and contract for construction, erection, or maintenance of real estate, real estate improvements, or an interest in real estate or real estate improvements, as the governing body considers necessary for school purposes, including buildings, parts of buildings, additions to buildings, rooms, gymnasiums, auditoriums, playgrounds, playing and athletic fields, facilities for physical training, buildings for administrative, office, warehouse, repair activities, or housing school owned buses, landscaping, walks, drives, parking areas, roadways, easements and facilities for power, sewer, water, roadway, access, storm and surface water, drinking water, gas, electricity, other utilities and similar purposes, by purchase, either outright for cash (or under conditional sales or purchase money contracts providing for a retention of a security interest by the seller until payment is made or by notes where the contract, security retention, or note is permitted by applicable law), by exchange, by gift, by devise, by eminent domain, by lease with or without option to purchase, or by lease under IC 21-5-10, IC 21-5-11, or IC 21-5-12.

(B) Repair, remodel, remove, or demolish, or to contract for the repair, remodeling, removal, or demolition of the real estate, real estate improvements, or interest in the real estate or real estate improvements, as the governing body considers necessary for school purposes.

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

(5) To acquire personal property or an interest in personal property as the governing body considers necessary for school purposes, including buses, motor vehicles, equipment, apparatus, appliances, books, furniture, and supplies, either by cash purchase or under conditional sales or purchase

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money contracts providing for a security interest by the seller until payment is made or by notes where the contract, security, retention, or note is permitted by applicable law, by gift, by devise, by loan, or by lease with or without option to purchase and to repair, remodel, remove, relocate, and demolish the personal property. All purchases and contracts delineated under the powers given under subdivision (4) and this subdivision are subject solely to applicable law relating to purchases and contracting by municipal corporations in general and to the supervisory control of state agencies as provided in section 6 of this chapter.

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

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

(A) civic or public purposes; or

(B) the operation of a school age child care program for children five (5) years of age through fourteen (14) years of age that operates before or after the school day, or both, and during periods when school is not in session;

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

(8) To:

(A) Employ, contract for, and discharge superintendents,

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

(B) Fix and pay the salaries and compensation of persons and services described in this subdivision.

(C) Classify persons or services described in this subdivision and to adopt schedules of salaries or compensation.

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

(E) Determine the nature and extent of the duties of the persons.

The compensation, terms of employment, and discharge of teachers are, however, subject to and governed by the laws relating to employment, contracting, compensation, and discharge of teachers. The compensation, terms of employment, and discharge of bus drivers is subject to and governed by laws relating to employment, contracting, compensation, and discharge of bus drivers. The forms and procedures relating to the use of computer and data processing equipment in handling the financial affairs of the school corporation must be submitted to the state board of accounts for approval to the end that the services are used by the school corporation when the governing body determines that it is in the best interest of the school corporation while at the same time providing reasonable accountability for the funds expended.

(9) Notwithstanding the appropriation limitation in subdivision (3), when the governing body by resolution

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considers a trip by an employee of the school corporation or by a member of the governing body to be in the interest of the school corporation, including attending meetings, conferences, or examining equipment, buildings, and installation in other areas, to permit the employee to be absent in connection with the trip without any loss in pay and to refund to the employee or to the member the employee's or member's reasonable hotel and board bills and necessary transportation expenses. To pay teaching personnel for time spent in sponsoring and working with school related trips or activities.

(10) To transport children to and from school, when in the opinion of the governing body the transportation is necessary, including considerations for the safety of the children and without regard to the distance the children live from the school, the transportation to be otherwise in accordance with applicable law.

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

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

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

(14) To levy taxes, to make budgets, to appropriate funds, and to disburse the money of the school corporation in accordance with applicable law. To borrow money against current tax collections and otherwise to borrow money, in accordance with IC 21-2-21.

(15) To purchase insurance or to establish and maintain a program of self-insurance relating to the liability of the school corporation or the school corporation's employees in connection with motor vehicles or property and for additional

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

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

(B) purchase insurance; or

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

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

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

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

(18) To prepare, make, enforce, amend, or repeal rules, regulations, and procedures for the government and management of the schools, property, facilities, and activities

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of the school corporation, the school corporation's agents, employees, and pupils and for the operation of the governing body, which rules, regulations, and procedures may be designated by an appropriate title such as "policy handbook", "bylaws", or "rules and regulations".

(19) To ratify and approve any action taken by a member of the governing body, an officer of the governing body, or an employee of the school corporation after the action is taken, if the action could have been approved in advance, and in connection with the action to pay the expense or compensation permitted under IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 21-2-19, and IC 21-2-21 or any other law.

(20) To exercise any other power and make any expenditure in carrying out the governing body's general powers and purposes provided in this chapter or in carrying out the powers delineated in this section which is reasonable from a business or educational standpoint in carrying out school purposes of the school corporation, including the acquisition of property or the employment or contracting for services, even though the power or expenditure is not specifically set out in this chapter. The specific powers set out in this section do not limit the general grant of powers provided in this chapter except where a limitation is set out in IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 21-2-19, and IC 21-2-21 by specific language or by reference to other law.

Sec. 5. A governing body of a school corporation may establish a policy regarding the allocation of tickets to the school corporation's interscholastic athletic events or other school related programs and activities at no charge or at a reduced rate to groups or individuals designated by the governing body.

Sec. 6. All powers delegated to the governing body of a school corporation under section 1 or 4 of this chapter are subject to all laws subjecting the school corporation to regulation by a state agency, including the state superintendent, state board of accounts, state police department, fire prevention and building safety commission, department of local government finance, water pollution control board, state school bus committee, state department of health, and any local governmental agency to which the state has been delegated a specific authority in matters other than educational matters and other than finance, including plan commissions, zoning boards, and boards concerned with health and safety.

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Sec. 7. Notwithstanding any other statute, the governing body of a school corporation may, by resolution, appoint:

(1) the school corporation's superintendent of schools; or

(2) a person residing within the school corporation's boundaries;

to serve on a public board, commission, or public body, including park boards, library boards, tax adjustment boards, or city or county plan commissions, if legislation requires or allows representation on the public board, commission, or body by a member of the governing body, the school corporation's superintendent, or a designated educator.

Sec. 8. (a) The governing body of a school corporation may appropriate necessary funds to provide for membership of the school corporation in state and national associations of an educational nature that have as the associations' purpose the improvement of school governmental operations.

(b) A school corporation may participate through designated representatives in the meetings and activities of the associations. The governing body of the school corporation may appropriate the necessary funds to defray the expenses of the representatives in connection with the meetings and activities.

Sec. 9. (a) A school corporation may provide programs, classes, or services to a state educational institution.

(b) A state educational institution may provide programs, classes, or services to a school corporation.

(c) The terms and conditions under which programs, classes, or services are to be provided must be specified in a contract between the state educational institution and the governing body of the school corporation.

Sec. 10. (a) A school corporation, including a school township, shall adopt a policy concerning criminal history information for individuals who:

(1) apply for:

(A) employment with the school corporation; or

(B) employment with an entity with which the school corporation contracts for services;

(2) seek to enter into a contract to provide services to the school corporation; or

(3) are employed by an entity that seeks to enter into a contract to provide services to the school corporation;

if the individuals are likely to have direct, ongoing contact with children within the scope of the individuals' employment.

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(b) A school corporation, including a school township, shall administer a policy adopted under this section uniformly for all individuals to whom the policy applies. A policy adopted under this section may require any of the following:

(1) The school corporation, including a school township, may request limited criminal history information concerning each applicant for noncertificated employment or certificated employment from a local or state law enforcement agency before or not later than three (3) months after the applicant's employment by the school corporation.

(2) Each individual hired for noncertificated employment or certificated employment may be required to provide a written consent for the school corporation to request under IC 10-13-3 limited criminal history information or a national criminal history background check concerning the individual before or not later than three (3) months after the individual's employment by the school corporation. The school corporation may require the individual to provide a set of fingerprints and pay any fees required for a national criminal history background check.

(3) Each individual hired for noncertificated employment may be required at the time the individual is hired to submit a certified copy of the individual's limited criminal history (as defined in IC 10-13-3-11) to the school corporation.

(4) Each individual hired for noncertificated employment may be required at the time the individual is hired to:

(A) submit a request to the Indiana central repository for limited criminal history information under IC 10-13-3;

(B) obtain a copy of the individual's limited criminal history; and

(C) submit to the school corporation the individual's limited criminal history and a document verifying a disposition (as defined in IC 10-13-3-7) that does not appear on the limited criminal history.

(5) Each applicant for noncertificated employment or certificated employment may be required at the time the individual applies to answer questions concerning the individual's limited criminal history. The failure to answer honestly questions asked under this subdivision is grounds for termination of the employee's employment.

(6) Each individual that:

(A) seeks to enter into a contract to provide services to a

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school corporation; or

(B) is employed by an entity that seeks to enter into a contract with a school corporation;

may be required at the time the contract is formed to comply with the procedures described in subdivisions (2), (4), and (5). An individual who is employed by an entity that seeks to enter into a contract with a school corporation to provide student services in which the entity's employees have direct contact with students in a school based program may be required to provide the consent described in subdivision (2) or the information described in subdivisions (4) and (5) to either the individual's employer or the school corporation. Failure to comply with subdivisions (2), (4), and (5), as required by the school corporation, is grounds for termination of the contract. An entity that enters into a contract with a school corporation to provide student services in which the entity's employees have direct contact with students in a school based program is allowed to obtain limited criminal history information or a national criminal history background check regarding the entity's applicants or employees in the same manner that a school corporation may obtain the information.

(c) If an individual is required to obtain a limited criminal history under this section, the individual is responsible for all costs associated with obtaining the limited criminal history.

(d) Information obtained under this section must be used in accordance with IC 10-13-3-29.

Sec. 11. (a) This section applies to:

(1) a school corporation; and

(2) an entity:

(A) with which the school corporation contracts for services; and

(B) that has employees who are likely to have direct, ongoing contact with children within the scope of the employees' employment.

(b) A school corporation or entity may use information obtained under section 10 of this chapter concerning an individual's conviction for one (1) of the following offenses as grounds to not employ or contract with the individual:

(1) Murder (IC 35-42-1-1).

(2) Causing suicide (IC 35-42-1-2).

(3) Assisting suicide (IC 35-42-1-2.5).

(4) Voluntary manslaughter (IC 35-42-1-3).

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(5) Reckless homicide (IC 35-42-1-5).
(6) Battery (IC 35-42-2-1) unless ten (10) years have elapsed from the date the individual was discharged from probation, imprisonment, or parole, whichever is later.
(7) Aggravated battery (IC 35-42-2-1.5).
(8) Kidnapping (IC 35-42-3-2).
(9) Criminal confinement (IC 35-42-3-3).
(10) A sex offense under IC 35-42-4.
(11) Carjacking (IC 35-42-5-2).
(12) Arson (IC 35-43-1-1), unless ten (10) years have elapsed from the date the individual was discharged from probation, imprisonment, or parole, whichever is later.
(13) Incest (IC 35-46-1-3).
(14) Neglect of a dependent as a Class B felony (IC 35-46-1-4(b)(2)), unless ten (10) years have elapsed from the date the individual was discharged from probation, imprisonment, or parole, whichever is later.
(15) Child selling (IC 35-46-1-4(d)).
(16) Contributing to the delinquency of a minor (IC 35-46-1-8), unless ten (10) years have elapsed from the date the individual was discharged from probation, imprisonment, or parole, whichever is later.
(17) An offense involving a weapon under IC 35-47 or IC 35-47.5, unless ten (10) years have elapsed from the date the individual was discharged from probation, imprisonment, or parole, whichever is later.
(18) An offense relating to controlled substances under IC 35-48-4, unless ten (10) years have elapsed from the date the individual was discharged from probation, imprisonment, or parole, whichever is later.
(19) An offense relating to material or a performance that is harmful to minors or obscene under IC 35-49-3, unless ten (10) years have elapsed from the date the individual was discharged from probation, imprisonment, or parole, whichever is later.
(20) An offense relating to operating a motor vehicle while intoxicated under IC 9-30-5, unless five (5) years have elapsed from the date the individual was discharged from probation, imprisonment, or parole, whichever is later.
(21) An offense that is substantially equivalent to any of the offenses listed in this subsection in which the judgment of conviction was entered under the law of any other

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jurisdiction.

(c) An individual employed by a school corporation or an entity described in subsection (a) shall notify the governing body of the school corporation, if during the course of the individual's employment, the individual is convicted in Indiana or another jurisdiction of an offense described in subsection (b).

Sec. 12. Except for IC 20-26-4-1, IC 20-26-4-4, and IC 20-26-4-5, the powers given each school corporation in IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 21-2-19, and IC 21-2-21 and the limitations on those powers set out in IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 21-2-19, and IC 21-2-21 may not be construed to limit the authority of the governing body given by any other statute or rule.

Sec. 13. Except as provided in section 12 of this chapter, IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 21-2-19, and IC 21-2-21 is supplemental to all other statutes and rules. The powers given to any school corporation under IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 21-2-19, and IC 21-2-21 are in addition to those given by any other statute or rule and are not subject to any limitations set out in those statutes or to comply with those statutes, except to the extent provided in IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 21-2-19, and IC 21-2-21 by specific reference to a designated statute or the statute or rule relating to a given subject. All statutes in conflict with IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 21-2-19, and IC 21-2-21 are repealed to the extent of the conflict.

Sec. 14. IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 21-2-19, and IC 21-2-21 shall be liberally construed to permit the governing body of a school corporation to conduct its affairs in a manner consistent with sound business practice to the ends that the authority of the governing body is clarified and that it is permitted to operate with the maximum efficiency consistent with accountability.

Sec. 15. A governing body in operating a school lunch program under section 4(11) of this chapter may use either of the following accounting methods:

(1) It may supervise and control the program through the school corporation account, establishing a school lunch fund.

(2) It may cause the program to be operated by the individual schools of the school corporation through the school corporation's extracurricular account or accounts in accordance with IC 20-26-6.

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Sec. 16. (a) A governing body in operating a textbook rental program under IC 20-26-5-4(12) may use either of the following accounting methods:

(1) The governing body may supervise and control the program through the school corporation account, establishing a textbook rental fund.

(2) If textbooks have not been purchased and financial commitments or guarantees for the purchases have not been made by the school corporation, the governing body may cause the program to be operated by the individual schools of the school corporation through the school corporation's extracurricular account or accounts in accordance with IC 20-26-6.

(b) If the governing body determines that a hardship exists due to the inability of a student's family to purchase or rent textbooks taking into consideration the income of the family and the demands on the family, it may furnish textbooks to such students without charge, without reference to the application of any other statute or rule except IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 21-2-19, and IC 21-2-21.

Sec. 17. (a) If a school lunch fund is established under section 15 of this chapter and a textbook rental fund is established under section 16 of this chapter, the receipts and expenditures from a fund for the program to which the fund relates shall be made to and from the fund without appropriation or the application of other statutes and rules relating to the budgets of municipal corporations.

(b) If either the lunch program or textbook rental program is handled through the extracurricular account, the governing body of the school corporation shall approve the amount of the bond of the treasurer of the extracurricular account in an amount considered by it sufficient to protect the account for all funds coming into the hands of the treasurer of the account.

Sec. 18. For purposes of IC 20-26-5-1 and under the powers of IC 20-26-5-4(20), the governing body of any school corporation may join and associate with groups of other school corporations within Indiana in regional school study councils to examine common school problems and exchange educational information of mutual benefit, and dues to the study councils shall be paid by the school corporation from the general fund.

Sec. 19. A governing body under its powers to fix and pay the salaries and compensation of employees of the school corporation

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and to contract for services under IC 20-26-5-4(8) may distribute payroll based on contractual and salary schedule commitments instead of payroll estimates approved in advance by the governing body.

Sec. 20. The governing body of any school corporation may permit any of its facilities to be used by any person in situations and at times that do not interfere with use of the facility for school purposes, as for example:

(1) use of a swimming pool or other athletic facility; or

(2) use of classrooms or other space in a school for purposes of school age childcare;

and may incur any necessary expense in the use or operation of the facility. The governing body may set up and charge a schedule of fees for admission to or use of any facility outside the school corporation's regular school program. Fees shall be deposited in the general fund or the special school fund of the school corporation.

Sec. 21. (a) As used in this section, "public school endowment corporation" means a corporation that is:

(1) organized under the Indiana Nonprofit Corporation Act of 1991 (IC 23-17);

(2) organized exclusively for educational, charitable, and scientific purposes; and

(3) formed to provide educational resources to:

(A) a particular school corporation or school corporations; or

(B) the schools in a particular geographic area.

(b) As used in this section, "proceeds from riverboat gaming" means tax revenue received by a political subdivision under IC 4-33-12-6, IC 4-33-13, or an agreement to share a city's or county's part of the tax revenue.

(c) As used in this section, "political subdivision" has the meaning set forth in IC 36-1-2-13.

(d) A political subdivision may donate proceeds from riverboat gaming to a public school endowment corporation under the following conditions:

(1) The public school endowment corporation retains all rights to the donation, including investment powers.

(2) The public school endowment corporation agrees to return the donation to the political subdivision if the corporation:

(A) loses the corporation's status as a public charitable organization;

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(B) is liquidated; or

(C) violates any condition of the endowment set by the fiscal body of the political subdivision.

(e) A public school endowment corporation may distribute both principal and income.

Sec. 22. (a) The governing body of a school corporation may donate the proceeds of a grant, a gift, a donation, an endowment, a bequest, a trust, or an agreement to share tax revenue received by a city or county under IC 4-33-12-6 or IC 4-33-13, or other funds not generated from taxes levied by the school corporation, to a foundation under the following conditions:

(1) The foundation is a charitable nonprofit community foundation.

(2) The foundation retains all rights to the donation, including investment powers, except as provided in subdivision (3).

(3) The foundation agrees to do the following:

(A) Hold the donation as a permanent endowment.

(B) Distribute the income from the donation only to the school corporation as directed by resolution of the governing body of the school corporation.

(C) Return the donation to the general fund of the school corporation if the foundation:

(i) loses the foundation's status as a public charitable organization;

(ii) is liquidated; or

(iii) violates any condition of the endowment set by the governing body of the school corporation.

(b) A school corporation may use income received under this section from a community foundation only for purposes of the school corporation.

Sec. 23. Public school corporations may enter into agreements with institutions of higher education to provide teaching experience for students of the institutions preparing for the educational profession and for the services of persons working jointly for the school corporation and an institution.

Sec. 24. (a) An agreement under section 23 of this chapter must set out the responsibilities and rights of the public school corporations, the institutions, and the students or persons who supervise the students and who are working jointly for a school corporation and an institution.

(b) An agreement must contain:

(1) a provision for the payment of an honorarium for

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consulting services by the institution of higher education directly to the supervisor; and

(2) a provision that, if the sum paid by the institution to the supervisor should ever be lawfully determined to be a wage rather than an honorarium by an instrumentality of the United States, then the institution of higher education shall be considered under the agreement to be the supervisor's part-time employer.

(c) The provisions required by subsection (b) must be included in an agreement entered into or renewed under this chapter after June 30, 1981. Public school corporations and institutions of higher education shall revise agreements in effect on July 1, 1981, to include the provisions required by subsection (b).

Sec. 25. In cities and incorporated towns, a governing body may establish a free public library in connection with the common schools for:

(1) the care, protection, and operation of the library;

(2) the care of books and other materials; and

(3) borrowing and returning books and other materials and penalties for any violations.

However, in any city or incorporated town where there is established a library open to all the people, a tax may not be levied.

Sec. 26. The governing body may levy a tax of not more than one tenth cent ($0.001) on each one dollar ($1) of taxable property assessed for taxation in a city or incorporated town in each year. The tax shall be placed on the tax duplicate of the city or incorporated town and collected in the same manner as other taxes. The taxes shall be paid to the governing body for the support and maintenance of the public library. The governing body may use tax revenues received under this section and gifts, devises, and grants to:

(1) provide suitable facilities for the library;

(2) purchase books and other materials; and

(3) hire necessary personnel.

Sec. 27. A city or incorporated town in which a free public library is established under this chapter may acquire by purchase or take and hold by gift, grant, or devise any real estate necessary for, or that is donated or devised for, the library. Any revenue derived from the real property shall be used for the library.

Sec. 28. A governing body may establish and maintain nursery schools for the instruction of children less than six (6) years of age. Expenses of operating the nursery schools shall be paid in the same

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manner as other expenses of the school corporation.

Sec. 29. A school corporation may establish and maintain nursery schools from the same revenue in the same manner as other grades and departments in the common schools of the school corporation are provided for and may apply for and receive from any state or federal governmental agency any funds as may be made available through the agencies for that purpose.

Sec. 30. A school corporation may use funds under section 27 of this chapter for the aid, maintenance, and support of nursery schools conducted by an association incorporated to operate a nursery school.

Chapter 6. Treasurer and Accounting

Sec. 1. As used in this chapter, "treasurer" includes an assistant treasurer or a deputy treasurer.

Sec. 2. All public school governing bodies in Indiana shall adopt and fully and accurately implement a single, unified accounting system as prescribed by the state board and the state board of accounts.

Sec. 3. (a) A public school must have a treasurer for purposes of this chapter. The superintendent or principal of the particular school or a clerk of the school corporation or member of the faculty appointed by the superintendent or principal shall be the treasurer. This designation must be made immediately upon the opening of the school term or the vacating of the treasurership. Claims shall be filed and paid under section 4 of this chapter. The employing or appointing officials of a school may appoint and engage a school treasurer or clerk.

(b) A school corporation may appoint one (1) or more assistant or deputy treasurers.

Sec. 4. (a) The treasurer has charge of the custody and disbursement of any funds collected by a collecting authority and expended to pay expenses:

(1) approved by the principal or teacher in charge of the school;

(2) incurred in conducting any athletic, social, or other school function (other than functions conducted solely by any organization of parents and teachers);

(3) that cost more than twenty-five dollars ($25) during the school year; and

(4) that are not paid from public funds.

The principal or teacher in charge of the school shall designate a collecting authority to be in charge of the collection of any funds

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described in this subsection. Upon collection of any funds, the collecting authority shall deliver the funds, together with an accounting of the funds, to the custody of the school treasurer. The principal may designate different collecting authorities for each separate account of funds described in this subsection.

(b) The treasurer shall keep an accurate account of all money received by the collecting authority and expended, showing the sources of all receipts and the purposes for which the money was expended and the balance on hand. A copy of the report shall be filed with the township trustee, board of school trustees, or board of school commissioners, not more than two (2) weeks after the close of each school year, together with all records and files of extracurricular activities.

(c) However, in a school that has two (2) or more semesters in any one (1) school year, the treasurer of the school shall file a copy of the treasurer's financial report of receipts and disbursements with the township trustee, board of school trustees, or board of school commissioners, not more than two (2) weeks after the close of each semester. Records and files of extracurricular activities for the entire school year shall be filed with the last financial semester report of any one (1) school year.

(d) A copy of the report shall be filed with and kept by the city superintendent having jurisdiction and the county superintendent where the superintendent has jurisdiction. These records are permanent records for five (5) years, after which time they may be destroyed.

(e) A treasurer is not personally liable for an act or omission occurring in connection with the performance of the duties set forth in this section, unless the act or omission constitutes gross negligence or an intentional disregard of the treasurer's duties.

Sec. 5. (a) The treasurer shall give a bond in an amount fixed by the superintendent and principal of the school approximating the total amount of the anticipated funds that will come into the hands of the treasurer at any one (1) time during the regular school year. Bonds shall be filed with the trustee or board of school trustees. The surety on the bonds must be a surety company authorized to do business in Indiana. However, the requirement for giving the bond and the requirement to deposit the receipts in a separate bank account, as required in section 6 of this chapter do not apply in any school for which the funds, as estimated by the principal, will not exceed three hundred dollars ($300) during a school year.

(b) The requirements of this chapter may be fulfilled by the

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providing of a comprehensive bonding instrument, including a single blanket position bond, for all extracurricular treasurers. A comprehensive bonding instrument shall be acceptable instead of individual separate personal position bonds.

Sec. 6. (a) The treasurer shall deposit all receipts in one (1) bank account. The receipts shall be deposited without unreasonable delay. The account is known as the school extracurricular account. The records of each organization, class, or activity shall be kept separate so that the balance in each fund may be known at all times.

(b) The money in the school extracurricular account may be invested under the conditions specified in IC 5-13-10 and IC 5-13-10.5 for investment of state money. However, investments under this section are at the discretion of the principal. The interest earned from any investment may be credited to the school extracurricular account and need not be credited proportionately to each separate extracurricular fund. The interest earned from the investment may be used for any of the following:

(1) A school purpose approved by the principal.

(2) An extracurricular purpose approved by the principal.

(c) Amounts expended under this section for the purposes described in this section are in addition to the appropriation under IC 20-26-5-4(3).

Sec. 7. All forms and records for keeping the accounts of the extracurricular activities in school corporations shall be prescribed or approved by the state board of accounts. The records and affairs of the extracurricular activities may be examined by the state board of accounts when in the judgment of the state examiner an examination is necessary. The forms prescribed or approved for keeping these accounts must achieve a simplified system of bookkeeping and shall be paid for, along with the bond required in this chapter, from the special school fund. The funds of all accounts of any organizations, class, or activity shall be accounted separately from all others. Funds may not be transferred from the accounts of any organization, class, or activity except by a majority vote of its members, if any, and by the approval of the principal, sponsor, and treasurer of the organization, class, or activity. However, in the case of athletic funds:

(1) approval of the transfer must be made by the athletic director, who is regarded as the sponsor; and

(2) participating students are not considered members.

All expenditures shall be subject to review by the local school

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board.

Chapter 7. Property and Eminent Domain

Sec. 1. (a) If a governing body of a school corporation determines that any real or personal property:

(1) is no longer needed for school purposes; or

(2) should, in the interests of the school corporation, be exchanged for other property;

the governing body may sell or exchange the property in accordance with IC 36-1-11.

(b) Money derived from the sale or exchange of property under this section shall be placed in any school fund:

(1) established under applicable law; and

(2) that the governing body considers appropriate.

Sec. 2. A governing body of a school corporation may deposit insurance proceeds received as a result of damage to real or personal property in any school fund:

(1) established under applicable law; and

(2) that the governing body considers appropriate.

Sec. 3. Any building or other property owned by a civil township may be conveyed to the corresponding school township in the manner prescribed in section 4 of this chapter.

Sec. 4. (a) To transfer or convey a building or other property from a civil township to the corresponding school township, a petition may be filed with the board of commissioners of the county in which the civil township is located that:

(1) asks for the conveyance or transfer of the building or other property;

(2) describes the nature of the building or other property to be conveyed or transferred; and

(3) contains the reasons for the conveyance or transfer.

(b) A petition must be:

(1) signed by a majority of the legal voters residing in the civil township; and

(2) filed in the office of the county auditor.

When the petition is filed, the petitioners shall give a bond, with good and sufficient freehold sureties, that is payable to the state, approved by the board of county commissioners, and conditioned to pay all expenses if the board of county commissioners does not authorize the proposed conveyance or transfer.

(c) After a petition is filed, the county auditor shall give notice of the filing of the petition by publication once a week for two (2) consecutive weeks in one (1) newspaper printed and published in

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the county and of general circulation in the county in which the civil township is located.

(d) The board of commissioners shall:

(1) hear the petition at the next regular meeting and on the day designated in the notice; and

(2) determine all matters concerning the petition.

If the board is satisfied as to the propriety of granting the petitioners' request, the board shall make a finding to that effect and the trustee of the civil township shall convey the building or other property belonging to the civil township to the corresponding school township. The school township shall hold, control, and manage the building or other property. Expenses incurred in the conveyance of the property, if the conveyance is authorized, shall be paid out of the general funds of the civil township.

Sec. 5. A school corporation (as defined in IC 36-1-2-17) may convey property owned by the school corporation to a civil city or other political subdivision for civic purposes if:

(1) the governing body adopts a resolution recommending the transfer and conveyance of the school property;

(2) the civil city or political subdivision agrees to accept the school property;

(3) the governing body executes a deed for the school property; and

(4) the conveyance is not for payment or other consideration.

Sec. 6. A school corporation that acquires any real property by gift, devise, or bequest shall hold, use, and dispose of the real property under the terms and conditions imposed by the donor or testator.

Sec. 7. (a) If a common school corporation has acquired or acquires any personal property or real estate by gift, devise, or bequest concerning which the donor or testator, at the time of making the gift, bequest, or devise, does not include conditions or directions concerning the gift, bequest, or devise inconsistent with this section, the principal of the gifts, devises, and bequests is inviolate, but the interest, rents, incomes, issues, and profits thereof may be expended by the school corporation. The interest, rent, incomes, issues, and profits may not be devoted:

(1) to the payment of any obligation of the corporation incurred before the property was acquired;

(2) to the payment of the salaries or wages of:

(A) teachers of the branches commonly and generally taught in the public schools; or

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(B) school or library officers or employees; or

(3) to purchase ordinary school furniture or supplies of the character required by the corporation to be paid for from the current income or revenue coming to it from taxes or by operation of law.

However, the interest, rents, incomes, issues, and profits may be devoted to any public educational or public library or similar purpose for which the managing board or trustee of the corporation believes adequate financial provision has not been made by law.

(b) If:

(1) the board or trustee desires to invest the principal of the gift, devise, or bequest in the erection or equipping, or both, of a building to be devoted to a special use of a public educational or library character; and

(2) the expressed will of the donor or testator will not be violated;

the principal may be used for that purpose, notwithstanding any other provision of this chapter. This subsection may not be construed to permit its use for the building or equipping of buildings for ordinary graded or high schools.

Sec. 8. (a) If the board of trustees or school commissioners of a corporation governed by sections 6 through 9 of this chapter desires:

(1) to appoint one (1) or more trustees to hold the title to any property, real or personal, acquired by the board or commissioners in the manner mentioned in sections 6 through 9 of this chapter, unless the wish and will of the donor or testator would be violated; and

(2) to invest the principal and pay over only the net interest, rents, issues, incomes, and profits of the fund to the school corporation for use as provided in sections 6 through 9 of this chapter;

the school corporation may name and appoint one (1) or more trustees and to vest in the trustees the title to the property, subject to trust and powers as the school corporation may impose, not inconsistent with the expressed wish or will of the donor or testator or this chapter applicable to the property if a transfer to a trustee has not been made.

(b) However, if:

(1) the managing board of the school corporation consists of less than three (3) persons; and

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(2) the school corporation elects to have the property held and managed by trustees;

the corporation shall establish the terms of the trust and make the conveyance, and the judge of the circuit court of the county in which the school corporation is domiciled shall appoint at least three (3) trustees.

Sec. 9. (a) It is the main purpose of this chapter that the identity of the principal of gifts, bequests, and devises to the state's public schools may not be lost and that the income from investment of the gifts, bequests, and devises shall be used in giving students the public education and library advantages that could not be enjoyed if only the school and library revenue and income provided by law were available.

(b) Sections 6 through 9 of this chapter may not be construed as a limitation against the investment and reinvestment either by the school corporation itself or the trustees appointed under section 8 of this chapter, as the safety of the fund or the best interests of the recipient school corporation require.

Sec. 10. (a) If a person gives or bequeaths to trustees an amount of money that exceeds five thousand dollars ($5,000) to erect a public school building or seminary in any unincorporated town, and upon the express or implied condition contained in the gift or bequest that an equal amount shall be raised by the citizens of the town or township for a like purpose, the township trustee of the township in which the town is located shall, upon the petition of a majority of the legal voters of the township, prepare, issue, and sell the bonds of the township to secure a loan of not more than fifteen thousand dollars ($15,000), in anticipation of the revenue for special school purposes, to comply with the condition attached to the gift or devise. The bonds must bear a rate of interest of not more than seven percent (7%) per annum, payable at such time, within seven (7) years after the date, as the trustee determines.

(b) Notwithstanding subsection (a), until all the bonds of any one (1) issue have been redeemed:

(1) the township trustee may not make another issue; and

(2) bonds may not be sold at a less rate than ninety-five cents ($0.95) on the dollar.

Sec. 11. The whole number of votes cast for candidates for Congress at the last preceding congressional election in the township is considered to be the whole number of legal voters of the township. A majority of the names of these legal voters must be signed to the petition presented to the township trustee, to which

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petition shall be attached the affidavit or affidavits, as the trustee considers necessary, of a competent and credible person or persons that the signatures of all the names to the petition are genuine and that the persons who signed the petition are, as the trustee believes, legal voters of the township.

Sec. 12. (a) The township trustee shall:

(1) record the petition and the attached names in the record book of the township; and

(2) file and preserve the petition, entering into the record the date and time the petition was filed.

(b) If the township trustee is satisfied that the petition contains the names of a majority of the legal voters of the township, the township trustee shall prepare, issue, and sell bonds of the amount listed in the petition, as provided in section 10 of this chapter.

(c) The township trustee shall accurately keep a record of all proceedings concerning:

(1) the issue and sale of the bonds;

(2) to whom and for what amount the bonds are sold;

(3) the rate of interest; and

(4) the time when the bonds become due.

Sec. 13. If:

(1) the trustees of school corporations of a city or town believe; or

(2) the township trustee of a township believes;

it is necessary to purchase any real estate on which to build a schoolhouse, or for any other purpose connected with the real estate, the township trustee or school trustees, or a majority of them, may file a petition in the circuit court of the county asking for the appointment of appraisers to appraise and assess the value of the real estate.

Sec. 14. Ten (10) days after a petition is filed under section 13 of this chapter, the court shall appoint three (3) freeholders who reside in the school corporation or township where the real estate is located to appraise and assess the value of the real estate.

Sec. 15. (a) Before making the appraisement and assessment, the appraisers shall take an oath before the clerk of the court to make a fair, true, and honest appraisement of the real estate.

(b) After taking the oath under subsection (a), the appraisers shall examine the real estate, hear evidence they consider necessary, and make a report of their appraisement to the court not more than five (5) days after their appointment.

(c) After the examination under subsection (b), the township

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trustee or school trustees of the school corporation, or a majority of them, may pay to the clerk of the court, for the use of the owner or owners of the real estate, the amount assessed.

(d) When the payment is made under subsection (c) and the payment is shown to the court hearing the cause:

(1) the title to the real estate vests immediately in the school corporation or school township for school purposes;

(2) the court shall cause the real estate to be conveyed to the school corporation or school township by a commissioner appointed for that purpose; and

(3) the school corporation or school township may immediately take possession of the real estate for the purpose.

(e) When the report of the appraisers is filed, any party to the action, not later than ten (10) days, may except to the amount of the appraisement and valuation of the real estate and a trial may be had on the exception before the court as other civil causes are tried. The court shall fix the amount of the appraisement and assessment, and any party to the action may appeal the judgment of the court as other civil cases are appealed.

(f) If the township trustee or school trustees, or a majority of them, except to the amount of the appraisement and assessment:

(1) the court shall convey the real estate to the school corporation or school township;

(2) the title to the real estate vests immediately in the school corporation or school township for the purposes; and

(3) subsequent proceedings upon the exceptions affect only the amount of the appraisement and assessments.

Sec. 16. Before the filing of the petition, the township trustee or school trustees, or a majority of them, may offer or tender to the owner or owners of the real estate an amount considered a reasonable value for the real estate. If the amount fixed by the appraisers or by the court later becomes the same or less than the amount tendered:

(1) the cause shall be prosecuted at the cost of the owner or owners of the real estate; and

(2) upon exception to the amount fixed by the appraisers, if the exceptor does not increase the amount of the appraisement and assessment, the action on the exception shall be at the cost of the exceptor.

If an amount has not been tendered by the township trustee or school trustees, or a majority of them, and an exception is not taken, the action shall be prosecuted at the cost of the petitioners.

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Sec. 17. (a) A school corporation may:

(1) purchase buildings or lands, or both, for school purposes; and

(2) improve the buildings or lands, or both.

(b) An existing building, other than a building obtained under IC 5-17-2 (before its repeal) or IC 4-13-1.7, permitting the purchase of suitable surplus government buildings, may not be purchased for use as a school building unless the building was originally constructed for use by the school corporation and used for that purpose for at least five (5) years preceding the acquisition as provided in this section through section 19 of this chapter.

(c) Notwithstanding this section through section 19 of this chapter limiting the purchase of school buildings, a school corporation may:

(1) purchase suitable buildings or lands, or both, adjacent to school property for school purposes; and

(2) improve the buildings or lands, or both, after giving notice to the taxpayers of the intention of the school corporation to purchase.

The taxpayers of the school corporation have the same right of appeal to the department of local government finance under the same procedure as provided for in IC 6-1.1-20-5 through IC 6-1.1-20-6.

Sec. 18. A school corporation may issue and sell bonds under the general statutes governing the issuance of bonds to purchase and improve buildings or lands, or both. All laws relating to the filing of petitions, remonstrances, and objecting petitions, giving notices of the filing of petitions, the determination to issue bonds, and the appropriation of the proceeds of the bonds are applicable to the issuance of bonds under sections 17 through 19 of this chapter.

Sec. 19. (a) If:

(1) a school township whose boundaries are coterminous with the boundaries of the corresponding civil township has occupied as lessee for at least five (5) years a building constructed for its use as a school building;

(2) the township board finds that it would be in the best interests of the school township and its taxpayers for the school township to purchase the building; and

(3) the entire amount required to pay the cost of acquisition cannot be provided by the school township on account of the constitutional debt limitation;

the township board, with the approval of the township trustee, may

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authorize the issuance of bonds by each of the school township and the civil township to provide funds to pay the cost of acquisition of the building.

(b) The amount of the civil township bonds may not exceed the amount required to pay the cost of acquisition over and above the amount that can validly be financed by the school township for that purpose. The issuance of bonds must be authorized by separate resolutions specifying the amount, terms, and conditions of the bonds to be issued by each of the corporations. The bonds issued are the separate obligations of the corporations, respectively. The bonds must be payable at times and in amounts not later than twenty (20) years after the date of issuance as the township board may determine and shall otherwise be authorized, issued, and sold in accordance with the applicable general laws.

(c) As used in this section, "building" includes the land occupied by the school township for school purposes.

Sec. 20. (a) It is the policy of the state to promote the acquisition, construction, and erection of school facilities by the off-site construction method so school corporations might obtain needed school facilities that, in many cases, would be denied by the higher cost of conventional construction.

(b) As used in this section through section 26 of this chapter, "off-site construction" means the fabrication and assembly of the component parts of various materials at a point other than the construction site where the parts are normally fabricated or assembled.

Sec. 21. (a) If the governing body or officer of a school corporation determines to erect or build a school building or buildings in which off-site construction techniques are to be used, the governing body or officer shall advertise for plans and specifications and for bids covering the plans and specifications.

(b) A bidder must file the bidder's plans or specifications with its bid.

(c) The advertisement shall be published once each week for two (2) consecutive weeks in two (2) newspapers published in the school corporation. If only one (1) newspaper is published in the boundaries of the school corporation, the advertisement shall be published in that newspaper and in a newspaper of general circulation published in the county where the school corporation is located. If a newspaper is not published in the boundaries of the school corporation, the advertisement shall be published in any two (2) newspapers of general circulation published in the county

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where the school corporation is located. If only one (1) newspaper is published in the county where the school corporation is located, publication in one (1) newspaper is sufficient.

(d) The advertisement:

(1) must contain a description of the building or buildings to be erected and the estimated cost; and

(2) may not require plans and specifications or bids to be filed for at least four (4) weeks after the date of the last publication of the advertisement.

(e) Subject to other applicable provisions of sections 20 through 25 of this chapter, the school corporation may accept the bid of the lowest bidder submitting plans and specifications considered satisfactory by the school corporation for a building or buildings.

Sec. 22. A school corporation may issue and sell bonds to construct a building or buildings under the general statutes governing the issuance and sale of bonds by school corporations if not in conflict with sections 20 through 25 of this chapter.

Sec. 23. (a) Before the execution of a contract under sections 20 through 25 of this chapter, the plans and specifications for a building or buildings, which must be prepared by an architect or engineer registered to practice in Indiana, must be submitted to:

(1) the state department of health;

(2) the state fire marshal;

(3) the state building commissioner; and

(4) any other agencies designated by law to pass on plans and specifications for school buildings.

(b) The plans and specifications must be approved by each agency in writing before the execution of the contract.

Sec. 24. (a) After the completion of a school building or buildings erected or constructed under this chapter and before acceptance by the school corporation, the state building commissioner shall examine and inspect the building or buildings to determine if the requirements of the contract and the plans and specifications have been met.

(b) The state building commissioner shall immediately report to the school corporation any deviation from any requirements.

(c) Before final payment and settlement is made, the state building commissioner must file with the governing body or officer an affidavit that all requirements of the contract and of the plans and specifications have been fully and faithfully met.

Sec. 25. Sections 20 through 24 of this chapter may not be considered to alter, amend, or repeal any other Indiana statute.

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However, the provisions of any other statute may not apply to proceedings under sections 20 through 24 of this chapter to the extent that the statute is inconsistent with sections 20 through 24 of this chapter.

Sec. 26. (a) A common school corporation:

(1) has the same powers; and

(2) is subject to the same duties and liabilities;

concerning municipal assessments for the cost of public improvements affecting the common school corporation's real estate that private owners of real estate possess or to which private owners of real estate are subject.

(b) The real estate of a common school corporation is subject to liens for municipal assessments for public improvements if the real estate:

(1) had been owned by a private owner; and

(2) would have been subject to a lien at the time the lien was attached.

(c) A penalty or an attorney's fee concerning a municipal assessment may not be collected from a school corporation.

Sec. 27. The superintendent of a school corporation shall cause an annual inspection to be conducted of all heating systems and supporting gas, oil, propane, or any other fuel lines used for school purposes.

Sec. 28. A report of the inspection described in section 27 of this chapter shall be made to the office of the state fire marshal before September 1 of each year. The report shall be made on forms prescribed and approved by the office of the state fire marshal.

Sec. 29. A school building may not be condemned and declared unfit for use for school purposes except as provided in sections 30 through 34 of this chapter.

Sec. 30. A petition signed by:

(1) the state department of health;

(2) the state fire marshal; or

(3) at least twenty-five (25) legal residents of the school corporation in which a school building is located, at least fifteen (15) of whom are resident freeholders;

may be filed with the auditor of the county in which the school corporation is located, alleging that the school building designated in the petition is insanitary or otherwise unfit for use for school purposes and should be condemned.

Sec. 31. If a petition is filed under section 30 of this chapter, the auditor of the county shall do the following:

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(1) Mail one (1) copy of the petition to:

(A) the county superintendent of schools; and

(B) the township trustee or the president of the board of school trustees or board of school commissioners of the school corporation in which the school building is located.

(2) Give notice by one (1) publication in each of two (2) newspapers circulating in the school corporation in which the school building is located that a hearing will be held:

(A) at a place and at a time designated in the notice;

(B) not less than ten (10) days after the date on which the notice is published;

(C) before the board of county commissioners and the county council of the county, acting jointly; and

(D) at which an interested person may appear in person or by attorney and be heard.

Sec. 32. (a) The auditor shall call a special session of the board of county commissioners and the county council to:

(1) conduct the hearing described in section 31 of this chapter; and

(2) determine the matter submitted.

(b) The chairman of the county council shall preside at the hearing.

Sec. 33. (a) The hearing described in section 32 of this chapter may be adjourned from day to day.

(b) When the hearing has concluded, the board of county commissioners and county council, acting jointly, shall determine from:

(1) the evidence submitted;

(2) an inspection of the building; or

(3) both the evidence and an inspection;

if the building should be condemned.

(c) If the board of county commissioners and county council, acting jointly, determine that the building should be condemned, the board and council shall fix a date when the order of the board and council becomes effective. An appeal from the finding and determination of the board of county commissioners may be made to the circuit or superior court of the county in the same manner as appeals are taken from the board of county commissioners.

Sec. 34. (a) The state board may not:

(1) revoke the commission of a high school; or

(2) refuse to grant a commission to a high school when properly applied for;

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because of the physical condition of any of the buildings in which the high school is conducted or maintained.

(b) The credits or the academic standing of a person who is a pupil in or a graduate of a high school may not be affected or determined by the physical condition of the building in which the pupil attended high school.

Sec. 35. (a) A decision of the state department of health to build, change, or condemn a school building may be appealed by:

(1) a township trustee;

(2) a board of school trustees or board of school commissioners;

(3) a member of a township board; or

(4) at least ten (10) residents and taxpayers;

of a township, town, or city in which the matter involving the building, changing, or condemnation of a school building occurred. The appeal may be made to a circuit or superior court of the county in which the township is located. A final appeal may be made to any court of last resort in Indiana.

(b) The appeal must:

(1) be made in the name of the person making the appeal or in the name of the officer making the appeal; and

(2) be perfected by filing a complaint or petition:

(A) in the office of the clerk of the court to which the appeal is taken;

(B) not more than thirty (30) days after the date of final decision by the state department of health that ordered the changing, condemnation, or building of the school building was made; and

(C) that sets forth the facts being appealed.

(c) The:

(1) state department of health; and

(2) township trustee, board of school commissioners, or board of school trustees if the appeal is made by the residents and taxpayers or by a member of the township board;

shall be named as defendants in the cause of action.

(d) Notice of the filing and pendency of the appeal shall be made by serving a summons, regularly issued by the court where cause of action is pending, on the state health commissioner at least ten (10) days before the hearing of the cause.

(e) The appeal shall be tried as other civil causes are tried in Indiana. If the appeal is made by private citizens, bond approved by the court shall be given to cover costs and reasonable attorney's

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fees if the appeal is not sustained.

Sec. 36. Before the governing body exercises power granted by any law to spend more than one million dollars ($1,000,000) to build, repair, or alter school buildings that would be financed by:

(1) entering into a lease agreement under IC 21-5-11-7 or IC 21-5-12-7;

(2) issuing bonds under IC 21-2-21; or

(3) any other available method;

the governing body may order the preparation and pay the costs of a feasibility study.

Sec. 37. (a) If the governing body proposes to construct, repair, or alter a school building at a cost of more than one million dollars ($1,000,000) that would be financed by:

(1) entering into a lease agreement under IC 21-5-11-7 or IC 21-5-12-7;

(2) issuing bonds under IC 21-2-21; or

(3) any other available method;

the governing body must hold a public hearing at which explanations of the potential value of the proposed project to the school corporation and to the community shall be given and at which interested parties may present testimony and questions.

(b) Notice of the hearing shall be given in accordance with IC 5-3-1. The notice must state that on a given day, at an hour, and place, the governing body will meet to discuss and hear objections and support to the proposed construction.

Sec. 38. At the public hearing and before bids for construction of the project are invited, the governing body shall adopt a resolution that specifies the following:

(1) The educational purpose the building will serve.

(2) The estimated cost of construction, including the cost of land.

(3) Any other pertinent information, including the estimated impact on the tax rate and the proposed sources of funding.

Sec. 39. (a) If:

(1) a school corporation; and

(2) the state, either in the name of the state or in the name of the trustees of an agency of the state;

each own improved or unimproved real estate that lies within the boundaries of the school corporation and that is not needed or required for the purpose for which it was acquired, the school corporation and the state may sell, trade, exchange, or convey to or with each other the unneeded real estate upon such terms and

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conditions mutually agreed upon and incorporated in an agreement between the trustees or board of trustees of the school corporation and the state or, if the real estate is held in the name of the trustees of an agency of the state, by the trustees.

(b) A value must be assigned to each parcel of real estate involved in the sale, trade, or exchange in the agreement. The assigned value must be the fair market value of the real estate as determined by three (3) appraisers appointed as follows:

(1) One (1) to be appointed by the board of trustees of the school corporation.

(2) One (1) to be appointed by the state or, if the real estate is held in the name of the trustees of an agency of the state, by the trustees.

(3) One (1) to be appointed by the two (2).

(c) The agreement must provide for payment by the party owning the real estate of the smaller value to the other party of the difference of value of the properties.

Sec. 40. Whenever:

(1) an agreement described in section 39 of this chapter is executed; and

(2) the payment of any money is made;

deeds of conveyance shall be executed by the trustees or board of trustees of the school corporation and by the state for the transfer of state owned real estate.

Chapter 8. Community Use of School Property

Sec. 1. A board of school trustees in a second or third class city, a board of school trustees of a town, or the school trustees of a school township:

(1) may, on their own initiative, and shall, upon petition as provided in section 2 of this chapter, establish and maintain for children and adults in the school buildings and on the school grounds under the custody and management of the boards or school trustees of school townships:

(A) evening schools;

(B) vacation schools;

(C) debating clubs;

(D) community centers;

(E) gymnasiums;

(F) public playgrounds;

(G) public baths; and

(H) similar activities and accommodations as determined by the boards or school trustees of school townships;

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without charge to the residents of the cities, towns, or townships; and

(2) may:

(A) cooperate, by agreement, with other commissioners or boards or school trustees of school townships that have custody and management of public parks, libraries, museums, and other public buildings and grounds to provide the:

(i) equipment;

(ii) supervision;

(iii) instruction; and

(iv) oversight;

necessary to conduct public educational and recreational activities in and upon the other buildings and grounds; and

(B) pay all expenses associated with the activities from the general fund.

Sec. 2. (a) If:

(1) a petition is filed with:

(A) the clerk of a municipality; or

(B) the trustee of any township;

that is signed by at least ten percent (10%) of the number of voters voting at the last general election held in the city; or

(2) a petition is presented that contains the signatures of at least one hundred (100) freeholders living in a town or township;

that sets forth a question in the form prescribed by IC 3-10-9-4 and a date for an election on the question, the question of exercising the powers granted for any of the purposes enumerated in section 1 of this chapter shall be submitted to the electors of the municipalities or townships.

(b) The clerk or trustee shall certify the public question to the county election board of each county in which the school corporation is located. The county election board shall place the public question on the ballot at the first primary or general election conducted after certification under IC 3-10-9-3. If the first primary or general election will be conducted more than six (6) months after certification, the county election board shall conduct the election not later than thirty (30) days after certification.

(c) If a majority of the votes cast upon the question are affirmative:

(1) the board of school trustees of the municipality; or

(2) the school trustee of the school township;

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shall exercise the powers in accordance with the petition under this chapter.

Sec. 3. (a) The board or school trustee of any school township may receive and expend for purposes of this chapter money received as gifts or appropriations made by individuals, business establishments, or organizations.

(b) The board or school trustee of a school township may also receive property that donors transfer to the board or school trustee of a school township. The property may be used only in conformity with the purposes of this chapter.

Sec. 4. (a) The board of school trustees in a third class city may establish, maintain, and equip public playgrounds to be used by children during the summer vacation period. The board may use the public school buildings and grounds in the cities as is necessary to carry out this section. The board may levy a tax not exceeding sixty-seven hundredths of one cent ($0.0067) on each one hundred dollars ($100) of assessed valuation of the property in the city to create a fund to carry out this section. The board may lease or purchase grounds in addition to the school grounds, either adjacent to the school grounds or elsewhere in the city. The board may also, under eminent domain statutes, condemn ground to be used for these purposes and pay for condemned ground out of the school revenues of the city not otherwise appropriated.

(b) The board:

(1) has full control of all playgrounds, including the preservation of order on playgrounds; and

(2) may adopt suitable rules, regulations, and bylaws for the control of playgrounds. The board may enforce the rules by suitable penalties.

(c) The board may select and pay for directors and assistants. The directors and assistants, while on duty and to preserve order and the observance of the rules, regulations, and bylaws of the board, have all the powers of police officers of the city. The compensation for the directors and assistants shall be:

(1) fixed by the board; and

(2) paid for out of the school revenues not otherwise appropriated.

Sec. 5. If a district public school has been abandoned and the schoolhouse and school grounds in the district are no longer used or needed for public school purposes, the township trustee in charge of the school building and school grounds:

(1) shall, upon application of at least fifty-one percent (51%)

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of the freehold residents of the school district, allow the use of the abandoned schoolhouse and school grounds as a community center for nonpartisan gatherings of citizens of the school district for civic, social, and recreational purposes; and

(2) may not sell or offer for sale any building or grounds:

(A) while the building or grounds are used as a community center; or

(B) for at least one (1) year after the discontinuance of the use of any abandoned schoolhouse and school grounds for a community center.

Sec. 6. (a) The operation and management of a community center shall be vested in a nonprofit corporation organized for that purpose under the general laws regulating the formation of nonprofit corporations.

(b) The membership of a nonprofit corporation described in subsection (a) must be composed of resident freeholders of the school district.

(c) The expenses of improvement of the school grounds and reconstruction or repairs of the abandoned schoolhouse shall be paid for by the corporation in charge of the community center while the school grounds or schoolhouse is operated and managed as a community center.

Sec. 7. An established community center in a school district shall cease its operation in the schoolhouse and upon the school grounds not more than one (1) month following the receipt of a written notice:

(1) submitted to the proper officers of the corporation of the community center; and

(2) by the township trustee of the township where the community center is being operated;

that indicates the school building and school grounds are needed for school purposes.

Sec. 8. If:

(1) a third class city in which a school corporation of the city has purchased, in the name of the school corporation, real estate to be used for school purposes; and

(2) the real estate is subsequently abandoned for school purposes;

the school trustees of the school corporations may authorize the use of the real estate for park purposes as provided by this chapter.

Sec. 9. (a) Money may not be expended out of a school

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corporation treasury for the maintenance of abandoned school grounds for park purposes.

(b) However, the board of school trustees of a school corporation in a third class city that owns abandoned school grounds may, by an order entered and properly recorded, allow the use of abandoned school grounds by a third class city for park purposes. The order must contain the conditions, restrictions, and limitations within which the third class city may take and use the abandoned school grounds for park purposes.

Sec. 10. (a) A third class city may, by an ordinance of the common council, accept from a school corporation located within the city the use of abandoned school grounds as provided by this chapter.

(b) A third class city may, by an ordinance of the common council, accept from a person for a definite time of at least five (5) years the use of any real estate in the city formerly used as a cemetery if:

(1) the cemetery has been abandoned; and

(2) the bodies have been removed from the cemetery.

(c) A third class city may, through its common council, use and maintain real estate described in subsections (a) and (b) for park purposes for the use of the general public under the same conditions and restrictions provided by law for the use and control and maintenance of park properties by third class cities as if the city owned the real estate.

(d) A third class city may accept by city ordinance real estate for park purposes under the order of the school trustees of the school corporation as provided by this chapter or from another person.

Sec. 11. The:

(1) title to the real estate remains in the school corporation; and

(2) use by third class cities continues;

while the cities continue to maintain the real estate as a public park.

Sec. 12. If:

(1) real estate has been accepted for park purposes; and

(2) a city abandons the use of the real estate for park purposes;

the school trustees of the school corporation that owns the real estate may take possession of the real estate and sell or otherwise convey the real estate.

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Sec. 13. (a) In a school township located in a county having a population of:

(1) more than four hundred thousand (400,000) but less than seven hundred thousand (700,000); or

(2) more than two hundred thousand (200,000) but less than three hundred thousand (300,000);

the township trustee, in administering the recreation program under this chapter, may supplement the funds by making a reasonable charge for admission to any outdoor swimming pool located on the school township property and owned by the school township.

(b) With the approval of the township board, the township trustee shall establish the admission fee or a schedule of admission fees to be collected for the use of the swimming pool. Fees collected shall be deposited in a recreation fund established under this chapter. Disbursements for personal services, operation, maintenance, and repairs of the swimming pool shall be paid from the recreation fund.

Chapter 9. School Breakfast and Lunch Programs

Sec. 1. As used in this chapter, "participating school corporation" refers to a school corporation that includes at least one (1) qualifying school building.

Sec. 2. As used in this chapter, "qualifying school building" refers to a public school building in which:

(1) at least twenty-five percent (25%) of the students who were enrolled at that school building during the prior school year qualified for free or reduced price lunches under guidelines established under 42 U.S.C. 1758(b); and

(2) lunches are served to students.

Sec. 3. As used in this chapter, "school" means the following:

(1) An Indiana public school in which any grade from kindergarten through grade 12 is taught.

(2) A nonpublic school in which any grade from kindergarten through grade 12 is taught that is not operated for profit in whole or in part.

Sec. 4. As used in this chapter, "school board" means:

(1) when applicable to a public school of Indiana, the board of school trustees, board of school commissioners, school board of incorporated towns and cities, and township school trustees; or

(2) when applicable to a school other than a public school, a person or agency in active charge and management of the

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school.

Sec. 5. As used in this chapter, "school breakfast program" refers to a program under which breakfast is served at a qualifying school building on a nonprofit basis to students enrolled at the qualifying school building.

Sec. 6. As used in this chapter, "school lunch program" means a program under which lunches are served by a school in Indiana on a nonprofit basis to children in attendance, including any program under which a school receives assistance out of funds appropriated by the Congress of the United States.

Sec. 7. (a) The state superintendent may accept and direct the disbursement of funds appropriated by any act of the United States Congress and apportioned to the state for use in connection with school lunch programs.

(b) The state superintendent shall deposit all funds received from the federal government with the treasurer of state in a special account or accounts to facilitate the administration of the program. The treasurer of state shall make disbursements from the account or accounts upon direction of the state superintendent.

Sec. 8. (a) The state superintendent may enter into agreements with a school board or with any other agency or person, prescribe regulations, employ personnel, and take any action that the state superintendent may consider necessary to provide for the establishment, maintenance, operation, and expansion of a school lunch program and to direct the disbursement of federal and state funds under any federal or state law.

(b) The state superintendent may give technical advice and assistance to a school corporation in connection with the establishment and operation of a school lunch program and may assist in training personnel engaged in the operation of the program. The state superintendent and any school corporation or sponsoring agency may accept any gift for use in connection with a school lunch program.

Sec. 9. A governing body may:

(1) operate or, by the appointment of a sponsoring agency, provide for the operation of school lunch programs in schools under the governing body's jurisdiction;

(2) contract with respect to food, services, supplies, equipment, and facilities for the operation of the programs; and

(3) use funds disbursed under this chapter and gifts and other funds received from the sale of school lunches under the

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programs.

Sec. 10. (a) The state superintendent shall prescribe rules for keeping accounts and records and making reports by or under the supervision of a governing body.

(b) The accounts and records shall:

(1) be available for inspection and audit at all times by authorized officials; and

(2) be preserved for at least five (5) years, as the state superintendent may prescribe.

(c) The state superintendent shall conduct or cause to be conducted any audits, inspections, and administrative reviews of acts, records, and operations of a school lunch program necessary to do the following:

(1) Determine whether agreements with the governing body and rules under this chapter are being complied with.

(2) Ensure that a school lunch program is effectively administered.

Sec. 11. The state superintendent may, to the extent that funds are available and in cooperation with other appropriate agencies and organizations, do the following:

(1) Conduct studies of methods of improving and expending school lunch programs and promoting nutritional education in the schools.

(2) Conduct appraisals of the nutritive benefits of school lunch programs.

(3) Report the findings and recommendations periodically to the governor.

Sec. 12. (a) School cities, school townships, school towns, and joint districts may:

(1) establish, equip, operate, and maintain school kitchens and school lunchrooms for the improvement of the health of students and for the advancement of the educational work of their respective schools;

(2) employ all necessary directors, assistants, and agents; and

(3) appropriate funds for the school lunch program.

Participation in a school lunch program under this chapter is discretionary with the governing board of a school corporation.

(b) If federal funds are not available to operate a school lunch program:

(1) the state may not participate in a school lunch program; and

(2) money appropriated by the state for that purpose and not

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expended shall immediately revert to the state general fund.

(c) Failure on the part of the state to participate in the school lunch program does not invalidate any appropriation made or school lunch program carried on by a school corporation by means of gifts or money raised by tax levy under this chapter.

Sec. 13. The governing body of a participating school corporation shall implement or contract for the implementation of a school breakfast program at each qualifying school building within the school corporation's boundaries.

Sec. 14. A governing body shall implement the governing body's breakfast program in compliance with the requirements for participation in the national school breakfast program under 42 U.S.C. 1773 et seq.

Sec. 15. The department shall assist each participating school corporation in implementing the school's breakfast program and in making all appropriate applications to the federal government for available financial assistance on behalf of the participating school corporation.

Sec. 16. The department shall monitor the school breakfast programs required under this chapter and maintain complete and accurate records of the programs.

Sec. 17. (a) The department shall establish guidelines to implement this chapter.

(b) The state board may adopt rules under IC 4-22-2 to implement this chapter.

Chapter 10. Joint Programs and Personnel

Sec. 1. As used in sections 2 through 9 of this chapter, "joint program" means the joint employment of personnel, joint purchase of supplies or other material, or joint purchase or lease of equipment, joint lease of land or buildings, or both, or joint construction of, remodeling of, or additions to school buildings, by two (2) or more school corporations, for a particular program or purpose. The term includes the joint investment of money under IC 5-13, data processing operations, vocational education, psychological services, audiovisual services, guidance services, special education, and joint purchasing related to the acquisition of supplies or equipment that are not to be used jointly.

Sec. 2. As used in sections 3 through 9 of this chapter, "participating school corporations" means all school corporations engaging in a joint program.

Sec. 3. (a) Two (2) or more school corporations acting through their respective governing bodies may engage in joint programs

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under a written agreement executed by all participating school corporations.

(b) The agreement shall do the following:

(1) Designate the type of purchases, leases, or investments to be made.

(2) Prescribe the manner of approving persons employed under the joint program.

(3) Designate the type of construction, remodeling, or additions to be made on the school buildings.

(4) Provide for the organization, administration, support, funding, and termination of the program, subject to the provisions of this chapter.

Sec. 4. An agreement shall designate one (1) of the participating school corporations to administer and supervise the joint program, including receiving and disbursing funds, executing documents, and maintaining records under this chapter and the agreement between the participating school corporations.

Sec. 5. (a) A teacher employed in a joint program who does not have existing years of service in one (1) of the member corporations of the joint program is considered to have been employed as a teacher by the governing body that is administering the joint program at the time that the teacher is first employed by the joint program.

(b) The teacher is entitled to the same rights and privileges as set forth in IC 20-28-6 through IC 20-28-10 as if employed as a regular teacher by the governing body that is administering the joint program at the time that the teacher is first employed by the joint program.

Sec. 6. A teacher who has existing years of service in one (1) of the member school corporations of the joint program shall retain the same rights and privileges as set forth in IC 20-28-6 through IC 20-28-10 as if still employed as a teacher in the school corporation in which the teacher has already acquired years of service.

Sec. 7. (a) A teacher who loses the teacher's job in a joint program because of:

(1) a reduction in services;

(2) a reorganization;

(3) the discontinuance of the joint program; or

(4) a withdrawal in whole or in part of a participating school from the joint program;

shall be accorded the same rights that are provided under

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IC 20-35-5-11 for teachers from special education cooperatives.

(b) A teacher who:

(1) is employed in a joint program under this chapter;

(2) loses the teacher's job in the joint program as described in subsection (a); and

(3) subsequently is employed by a participating school corporation as described in subsection (a);

retains the rights and privileges under IC 20-28-6 through IC 20-28-10 that the teacher held at the time the teacher lost the job in the joint program as described in subdivision (2).

Sec. 8. (a) The governing bodies of participating school corporations may pay into a joint fund, to be known as the joint services, leasing, construction, and supply fund, an amount set forth in the written agreement under section 3 of this chapter. A governing body shall budget and appropriate funds for the joint program from a special school fund or tuition fund of their respective school corporations in accordance with laws governing the use of those funds.

(b) The joint services, leasing, construction, and supply fund shall be held by the governing body of the school corporation designated in the written agreement to administer and supervise the joint program. The designated governing body shall receive, disburse, and maintain an account for the fund in the same manner as prescribed for other funds of the governing body and under the written agreement but without any further or additional appropriation of the funds. The designated governing body shall make a complete and detailed financial report of all receipts and disbursements not later than thirty (30) days after the end of each school year and shall furnish copies of the report to the governing bodies of all other participating school corporations. The reports required under this chapter are supplementary to and do not supersede or repeal the requirements for publication of annual reports of certain school corporations as provided by IC 5-3-1.

Sec. 9. (a) The governing bodies of participating school corporations may pay into a joint fund, to be known as the joint investment fund, all or part of the money the governing bodies may otherwise invest under IC 5-13-9. The fund shall be administered by the governing body of the school corporation designated in the written agreement under section 3 of this chapter. The designated governing body shall receive, invest, maintain an account for, and disburse the fund in the same manner as prescribed for other funds for the governing body representing money available for

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investment and in accordance with the written agreement.

(b) With respect to an investment described in IC 5-13-9, quotes may be solicited and received orally, and the investment shall be made with the designated depository that submitted the highest quote. If two (2) or more designated depositories submit the highest quote, the investment shall be made either:

(1) by dividing the investment among the depositories so as not to lose the benefits of the quotes received; or

(2) if division is not practicable, by lot.

(c) The designated depository holding the investment shall remit to the governing body administering the joint program any money due under the investment on the date the investment matures and in the manner directed by the governing body. A designated depository participating in an agreement for joint investment of money under IC 5-13 shall provide a detailed accounting of the transactions as required for audit purposes by the state board of accounts.

Sec. 10. Two (2) or more school corporations within a county may through their respective school trustees and boards engage in any of the following:

(1) Joint employment of professional personnel.

(2) Joint purchases of necessary supplies, equipment, and other materials that the participating school officers consider proper to the operation of their respective schools.

The cost of these services and purchases to participating corporations shall be determined by their proportionate use in the schools of participating corporations. The county superintendent of schools is the administrator of these joint activities.

Sec. 11. (a) A county board of education may authorize the county superintendent of schools to establish a joint service and supply fund, into which fund the participating school corporations shall pay their proportionate share under an agreement for the joint services and supplies in which the school corporations are interested. The county superintendent of schools may disburse from the service and supply fund proper expenditures to pay salaries of jointly employed personnel and other joint service expenditures.

(b) The county superintendent of schools shall keep a complete written accounting of all receipts and disbursements related to the joint service and supply fund in a form approved by the state board of accounts. The accounting shall be audited by the state board of accounts. The county superintendent of schools shall

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make a complete and detailed financial report of all receipts and disbursements in the joint service and supply fund at the end of each fiscal year and shall furnish copies of the report to all participating school corporations.

Sec. 12. The purchasing of equipment, supplies, and materials shall be under the same laws and regulations as the purchasing would be if it were by a single school corporation. However, the bids shall be submitted by the superintendent of county schools to the participating corporations for approval.

Chapter 11. Legal Settlement and Transfer of Students; Transfer Tuition

Sec. 1. As used in this chapter with respect to legal settlement, transfers, and the payment of tuition, the words "residence", "resides", or other comparable language means a permanent and principal habitation that an individual uses for a home for a fixed or indefinite period, at which the individual remains when not called elsewhere for work, studies, recreation, or other temporary or special purpose. These terms are not synonymous with legal domicile. Where a court order grants an individual custody of a student, the residence of the student is where that individual resides.

Sec. 2. The legal settlement of a student is governed by the following provisions:

(1) If the student:

(A) is less than eighteen (18) years of age; or

(B) is at least eighteen (18) years of age but is not emancipated;

the legal settlement of the student is in the attendance area of the school corporation where the student's parents reside.

(2) If the student's mother and father, in a situation to which subdivision (1) otherwise applies, are divorced or separated, the legal settlement of the student is the school corporation whose attendance area contains the residence of the parent with whom the student is living, in the following situations:

(A) If a court order has not been made establishing the custody of the student.

(B) If both parents have agreed on the parent or person with whom the student will live.

(C) If the parent granted custody of the student has abandoned the student. In the event of a dispute between the parents of the student, or between the parents and a student at least eighteen (18) years of age, the legal

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settlement of the student shall be determined as otherwise provided in this section.

(3) If the legal settlement of a student, in a situation to which subdivision (1) otherwise applies, cannot reasonably be determined and the student is being supported by, cared for by, and living with some other individual, the legal settlement of the student is in the attendance area of that individual's residence, except where the parents of the student are able to support the student but have placed the student in the home of another individual, or allowed the student to live with another individual, primarily for the purpose of attending school in the attendance area where the other individual resides. The school may, if the facts are in dispute, condition acceptance of the student's legal settlement on the appointment of that individual as legal guardian or custodian of the student, and the date of legal settlement will be fixed to coincide with the commencement of the proceedings for the appointment of a guardian or custodian. However, if a student does not reside with the student's parents because the student's parents are unable to support the child and the child is not residing with an individual other than a parent primarily to attend a particular school, the student's legal settlement is where the student resides, and the establishment of a legal guardianship may not be required by the school. In addition, a legal guardianship or custodianship established solely to attend school in a particular school corporation does not affect the determination of the legal settlement of the student under this chapter.

(4) If a student, to whom subdivision (1) would otherwise apply, is married and living with a spouse, the legal settlement of that student is in the attendance area of the school corporation where the student and the student's spouse reside.

(5) If the student's parents:

(A) are living outside the United States due to educational pursuits or a job assignment;

(B) do not maintain a permanent home in any school corporation in the United States; and

(C) have placed the student in the home of another individual;

the legal settlement of the student is in the attendance area where the other individual resides.

(6) If the student is emancipated, the legal settlement is the

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attendance area of the school corporation of the student's residence.

(7) If a student's legal settlement is changed after the student has begun attending school in a school corporation in any school year, the effective date of change may:

(A) at the election of:

(i) the parent;

(ii) the student if the student is at least eighteen (18) years of age; or

(iii) a juvenile court conducting a proceeding under IC 31-34-20-5, IC 31-34-21-10, IC 31-37-19-26, or IC 31-37-20-6 (or IC 31-6-4-18.5 before its repeal);

be extended until the end of that semester; or

(B) at the discretion of the school, until the end of that school year.

However, that election, where a student has completed grade 11 in any school year, shall extend to the end of the following school year in grade 12.

(8) If a juvenile court has:

(A) made findings of fact concerning the legal settlement of a student under IC 31-34-20-5, IC 31-34-21-10, IC 31-37-19-26, or IC 31-37-20-6 (or IC 31-6-4-18.5 before its repeal); and

(B) jurisdiction over the student under IC 31-34 or IC 31-37;

the legal settlement of the student is the attendance area specified as the legal settlement in the latest findings of fact issued by the juvenile court.

Sec. 3. The state superintendent shall prepare the form of agreement to be used under section 2(2) of this chapter and a form to be executed by any individual with whom the student is living under section 2(2), 2(3), or 2(5) of this chapter. The execution of the form by the individual and its continuance in force is a condition to the application of section 2(2), 2(3), or 2(5) of this chapter. The form must contain an agreement of the individual that the individual shall, with respect to dealing with the school corporation and for all other purposes under this article, assume all the duties and be subject to all the liabilities of a parent of the student in the same manner as if the individual were the student's parent. On the execution of that form and for as long as it remains in force, the individual has these duties and liabilities.

Sec. 4. A student is emancipated when the student:

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(1) furnishes the student's support from the student's own resources;

(2) is not dependent in any material way on the student's parents for support;

(3) files or is required by applicable law to file a separate tax return; and

(4) maintains a residence separate from that of the student's parents.

Sec. 5. (a) The parents of any student, regardless of the student's age, or the student after the student has become eighteen (18) years of age may request a transfer from a school corporation in which the student has a legal settlement to a transferee school corporation in Indiana or another state if the student may be better accommodated in the public schools of the transferee corporation. Whether the student can be better accommodated depends on such matters as:

(1) crowded conditions of the transferee or transferor corporation; and

(2) curriculum offerings at the high school level that are important to the vocational or academic aspirations of the student.

(b) The request for transfer must be made in writing to the transferor corporation, which shall immediately mail a copy to the transferee corporation. The request for transfer must be made at the times provided under rules adopted by the state board. The transfer is effected if both the transferee and the transferor corporations approve the transfer not more than thirty (30) days after that mailing. The transfer is denied when either school corporation:

(1) mails a written denial by certified mail to the requesting parents or student at their last known address; or

(2) fails to act on the request not more than thirty (30) days after the mailing.

(c) If a request for transfer is denied, an appeal may be taken to the state board by the requesting parents or student, if commenced not more than ten (10) days after the denial. An appeal is commenced by mailing a notice of appeal by certified mail to the superintendent of each school corporation and the state board. The state superintendent shall develop forms for this purpose, and the transferor corporation shall assist the parents or student in the mechanics of commencing the appeal. An appeal hearing must comply with section 15 of this chapter.

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Sec. 6. (a) A school corporation may accept a transferring student without approval of the transferor corporation under section 5 of this chapter.

(b) A transfer may not be accepted unless the requesting parents or student pays transfer tuition in an amount determined under the formula established in section 13 of this chapter for the payment of transfer tuition by a transferor school corporation. However, the transferee school may not offset the amounts described in section 13(b) STEP TWO (B) through section 13(b) STEP TWO (D) of this chapter from the amount charged to the requesting parents or student.

(c) The tuition determined under subsection (b) must be paid by the parents or the student before the end of the school year in installments as determined by the transferee corporation.

(d) Failure to pay a tuition installment is a ground for exclusion from school.

Sec. 7. (a) A school corporation may transfer a student with a physical, emotional, or mental disability to a transferee corporation that maintains special programs or facilities for children with the disability of the transferred student.

(b) A transferee corporation may refuse the transfer under subsection (a) by mailing a notice by certified mail to:

(1) the transferor corporation;

(2) the parents of the student; and

(3) the state board.

(c) If a transferee corporation refuses transfer under subsection (b), the state board shall determine the question of granting a transfer under the procedures set out in section 15 of this chapter.

Sec. 8. (a) A student who is placed in a state licensed private or public health care facility, child care facility, or foster family home:

(1) by or with the consent of the division of family and children;

(2) by a court order; or

(3) by a child placing agency licensed by the division of family and children;

may attend school in the school corporation in which the home or facility is located. If the school corporation in which the home or facility is located is not the school corporation in which the student has legal settlement, the school corporation in which the student has legal settlement shall pay the transfer tuition of the student.

(b) A student who is placed in a state licensed private or public

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health care or child care facility by a parent may attend school in the school corporation in which the facility is located if:

(1) the placement is necessary for the student's physical or emotional health and well-being and, if the placement is in a health care facility, is recommended by a physician; and

(2) the placement is projected to be for not less than fourteen (14) consecutive calendar days or a total of twenty (20) calendar days.

The school corporation in which the student has legal settlement shall pay the transfer tuition of the student. The parent of the student shall notify the school corporation in which the facility is located and the school corporation of the student's legal settlement, if identifiable, of the placement. Not later than thirty (30) days after this notice, the school corporation of legal settlement shall either pay the transfer tuition of the transferred student or appeal the payment by notice to the department. The acceptance or notice of appeal by the school corporation must be given by certified mail to the parent or guardian of the student and any affected school corporation. In the case of a student who is not identified as disabled under IC 20-35, the state board shall make a determination on transfer tuition according to the procedures in section 15 of this chapter. In the case of a student who has been identified as disabled under IC 20-35, the determination on transfer tuition shall be made under this subsection and the procedures adopted by the state board under IC 20-35-2-1(c)(5).

(c) A student who is placed in:

(1) an institution operated by the division of disability, aging, and rehabilitative services or the division of mental health and addiction; or

(2) an institution, a public or private facility, a home, a group home, or an alternative family setting by the division of disability, aging, and rehabilitative services or the division of mental health and addiction;

may attend school in the school corporation in which the institution is located. The state shall pay the transfer tuition of the student, unless another entity is required to pay the transfer tuition as a result of a placement described in subsection (a) or (b) or another state is obligated to pay the transfer tuition.

Sec. 9. (a) This section applies to each student:

(1) described in section 8(a) of this chapter;

(2) who is placed in a home or facility in Indiana that is outside the school corporation where the student has legal

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settlement; and

(3) for which the state is not obligated to pay transfer tuition.

(b) Not later than ten (10) days after a county places or changes the placement of a student, the county that placed the student shall notify the school corporation where the student has legal settlement and the school corporation where the student will attend school of the placement or change of placement. Before June 30 of each year, a county that places a student in a home or facility shall notify the school corporation where a student has legal settlement and the school corporation in which a student will attend school if a student's placement will continue for the ensuing school year. The notifications required under this subsection must be made by:

(1) the county office (as defined in IC 12-7-2-45) if the county office or the division of family and children placed or consented to the placement of the student; or

(2) if subdivision (1) does not apply, the court or other agency making the placement.

Sec. 10. (a) A student who is the child of a state employee who resides on state owned property, resides on state owned property, or is the child of a full-time employee of a state supported postsecondary institution, who resides on property owned or operated by the state supported postsecondary institution and used for educational, research, or public service programs is considered a transferred student if:

(1) the student attends a public school in the school corporation located nearest to the student's residence within the county in which all or a part of either the state owned property, or the property owned or operated by the state supported postsecondary institution, is located; or

(2) the state owned property is the Soldiers' and Sailors' Children's Home and the student attends a public school in the county in which the home is located or in an adjacent county.

Transfer tuition for a student transferred under this subsection shall be paid by the state. However, this subsection does not apply to children of state employees residing in student housing on property owned by any state supported postsecondary school institution.

(b) A foreign student visiting in Indiana under any student exchange program approved by the state board is considered a resident student with legal settlement in the school corporation where the foreign exchange student resides. The student may

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attend a school in the school corporation in which the family with whom the student is living resides. A school corporation that receives a foreign student may not be paid any transfer tuition. The school corporation shall include the foreign student in computations to determine the amount of state aid that it is entitled to receive.

Sec. 11. (a) A school corporation may enter into an agreement with:

(1) a nonprofit corporation that operates a federally approved education program; or

(2) a nonprofit corporation that:

(A) is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code;

(B) for its classroom instruction, employs teachers who are certified by the professional standards board;

(C) employs other professionally and state licensed staff as appropriate; and

(D) educates children who:

(i) have been suspended, expelled, or excluded from a public school in that school corporation and have been found to be emotionally disturbed;

(ii) have been placed with the nonprofit corporation by court order;

(iii) have been referred by a local health department; or

(iv) have been placed in a state licensed private or public health care or child care facility as described in section 8(b) of this chapter;

in order to provide a student with an individualized education program that is the most suitable educational program available.

(b) If a school corporation that is a transferee corporation enters into an agreement as described in subsection (a), the school corporation shall pay to the nonprofit corporation an amount agreed upon from the transfer tuition of the student. The amount agreed upon may not exceed the transfer tuition costs that otherwise would be payable to the transferee corporation.

(c) If a school corporation that is a transferor corporation enters into an agreement as described in subsection (a), the school corporation shall pay to the nonprofit corporation an amount agreed upon, which may not exceed the transfer tuition costs that otherwise would be payable to a transferee school corporation.

Sec. 12. (a) If a student is transferred under section 5 of this chapter from a school corporation in Indiana to a public school

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corporation in another state, the transferor corporation shall pay the transferee corporation the full tuition fee charged by the transferee corporation. However, the amount of the full tuition fee may not exceed the amount charged by the transferor corporation for the same class of school, or if the school does not have the same classification, the amount may not exceed the amount charged by the geographically nearest school corporation in Indiana that has the same classification.

(b) If a child is:

(1) placed by a court order in an out-of-state institution or other facility; and

(2) provided all educational programs and services by a public school corporation in the state where the child is placed, whether at the facility, the public school, or another location;

the county office of family and children for the county placing the child shall pay from the county family and children's fund to the public school corporation in which the child is enrolled the amount of transfer tuition specified in subsection (c).

(c) The transfer tuition for which a county office is obligated under subsection (b) is equal to the following:

(1) The amount under a written agreement among the county office, the institution or other facility, and the governing body of the public school corporation in the other state that specifies the amount and method of computing transfer tuition.

(2) The full tuition fee charged by the transferee corporation, if subdivision (1) does not apply. However, the amount of the full tuition fee must not exceed the amount charged by the transferor corporation for the same class of school, or if the school does not have the same classification, the amount must not exceed the amount charged by the geographically nearest school corporation in Indiana that has the same classification.

(d) If a child is:

(1) placed by a court order in an out-of-state institution or other facility; and

(2) provided:

(A) onsite educational programs and services either through the facility's employees or by contract with another person or organization that is not a public school corporation; or

(B) educational programs and services by a nonpublic school;

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the county office of family and children for the county placing the child shall pay from the county family and children's fund in an amount and in the manner specified in a written agreement between the county office and the institution or other facility.

(e) An agreement described in subsection (c) or (d) is subject to the approval of the director of the division of family and children. However, for purposes of IC 4-13-2, the agreement shall not be treated as a contract.

Sec. 13. (a) As used in this section, the following terms have the following meanings:

(1) "ADM" means the following:

(A) For purposes of allocating to a transfer student state distributions under IC 21-1-30 (primetime), "ADM" as computed under IC 21-1-30-2.

(B) For all other purposes, "ADM" as set forth in IC 21-3-1.6-1.1.

(2) "Class of school" refers to a classification of each school or program in the transferee corporation by the grades or special programs taught at the school. Generally, these classifications are denominated as kindergarten, elementary school, middle school or junior high school, high school, and special schools or classes, such as schools or classes for special education, vocational training, or career education.

(3) "Special equipment" means equipment that during a school year:

(A) is used only when a child with disabilities is attending school;

(B) is not used to transport a child to or from a place where the child is attending school;

(C) is necessary for the education of each child with disabilities that uses the equipment, as determined under the individualized education program for the child; and

(D) is not used for or by any child who is not a child with disabilities.

(4) "Student enrollment" means the following:

(A) The total number of students in kindergarten through grade 12 who are enrolled in a transferee school corporation on a date determined by the state board.

(B) The total number of students enrolled in a class of school in a transferee school corporation on a date determined by the state board.

However, a kindergarten student shall be counted under

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clauses (A) and (B) as one-half (1/2) student. The state board may select a different date for counts under this subdivision. However, the same date shall be used for all school corporations making a count for the same class of school.

(b) Each transferee corporation is entitled to receive for each school year on account of each transferred student, except a student transferred under section 6 of this chapter, transfer tuition from the transferor corporation or the state as provided in this chapter. Transfer tuition equals the amount determined under STEP THREE of the following formula:

STEP ONE: Allocate to each transfer student the capital expenditures for any special equipment used by the transfer student and a proportionate share of the operating costs incurred by the transferee school for the class of school where the transfer student is enrolled.

STEP TWO: If the transferee school included the transfer student in the transferee school's ADM for a school year, allocate to the transfer student a proportionate share of the following general fund revenues of the transferee school for, except as provided in clause (C), the calendar year in which the school year ends:

(A) The following state distributions that are computed in any part using ADM or other student count in which the student is included:

(i) Primetime grant under IC 21-1-30.

(ii) Tuition support for basic programs.

(iii) Enrollment growth grant under IC 21-3-1.7-9.5.

(iv) At-risk grant under IC 21-3-1.7-9.7.

(v) Academic honors diploma award under IC 21-3-1.7-9.8.

(vi) Vocational education grant under IC 21-3-12.

(vii) Special education grant under IC 21-3-2.1.

(viii) The portion of the ADA flat grant that is available for the payment of general operating expenses under IC 21-3-4.5-2(b)(1).

(B) Property tax levies.

(C) Excise tax revenue (as defined in IC 21-3-1.7-2) received for deposit in the calendar year in which the school year begins.

(D) Allocations to the transferee school under IC 6-3.5.

STEP THREE: Determine the greater of:

(A) zero (0); or

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(B) the result of subtracting the STEP TWO amount from the STEP ONE amount.

If a child is placed in an institution or facility in Indiana under a court order, the institution or facility shall charge the county office of the county of the student's legal settlement under IC 12-19-7 for the use of the space within the institution or facility (commonly called capital costs) that is used to provide educational services to the child based upon a prorated per student cost.

(c) Operating costs shall be determined for each class of school where a transfer student is enrolled. The operating cost for each class of school is based on the total expenditures of the transferee corporation for the class of school from its general fund expenditures as specified in the classified budget forms prescribed by the state board of accounts. This calculation excludes:

(1) capital outlay;

(2) debt service;

(3) costs of transportation;

(4) salaries of board members;

(5) contracted service for legal expenses; and

(6) any expenditure that is made out of the general fund from extracurricular account receipts;

for the school year.

(d) The capital cost of special equipment for a school year is equal to:

(1) the cost of the special equipment; divided by

(2) the product of:

(A) the useful life of the special equipment, as determined under the rules adopted by the state board; multiplied by

(B) the number of students using the special equipment during at least part of the school year.

(e) When an item of expense or cost described in subsection (c) cannot be allocated to a class of school, it shall be prorated to all classes of schools on the basis of the student enrollment of each class in the transferee corporation compared with the total student enrollment in the school corporation.

(f) Operating costs shall be allocated to a transfer student for each school year by dividing:

(1) the transferee school corporation's operating costs for the class of school in which the transfer student is enrolled; by

(2) the student enrollment of the class of school in which the transfer student is enrolled.

When a transferred student is enrolled in a transferee corporation

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for less than the full school year of student attendance, the transfer tuition shall be calculated by the part of the school year for which the transferred student is enrolled. A school year of student attendance consists of the number of days school is in session for student attendance. A student, regardless of the student's attendance, is enrolled in a transferee school unless the student is no longer entitled to be transferred because of a change of residence, the student has been excluded or expelled from school for the balance of the school year or for an indefinite period, or the student has been confirmed to have withdrawn from school. The transferor and the transferee corporation may enter into written agreements concerning the amount of transfer tuition due in any school year. If an agreement cannot be reached, the amount shall be determined by the state board, and costs may be established, when in dispute, by the state board of accounts.

(g) A transferee school shall allocate revenues described in subsection (b) STEP TWO to a transfer student by dividing:

(1) the total amount of revenues received; by

(2) the ADM of the transferee school for the school year that ends in the calendar year in which the revenues are received.

However, for state distributions under IC 21-1-30, IC 21-3-2.1, IC 21-3-12, or any other statute that computes the amount of a state distribution using less than the total ADM of the transferee school, the transferee school shall allocate the revenues to the transfer student by dividing the revenues that the transferee school is eligible to receive in a calendar year by the student count used to compute the state distribution.

(h) Instead of the payments provided in subsection (b), the transferor corporation or state owing transfer tuition may enter into a long term contract with the transferee corporation governing the transfer of students. The contract may:

(1) be entered into for a period of not more than five (5) years with an option to renew;

(2) specify a maximum number of students to be transferred; and

(3) fix a method for determining the amount of transfer tuition and the time of payment, which may be different from that provided in section 14 of this chapter.

(i) If the school corporation can meet the requirements of IC 21-1-30-5, it may negotiate transfer tuition agreements with a neighboring school corporation that can accommodate additional students. Agreements under this section may:

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(1) be for one (1) year or longer; and

(2) fix a method for determining the amount of transfer tuition or time of payment that is different from the method, amount, or time of payment that is provided in this section or section 14 of this chapter.

A school corporation may not transfer a student under this section without the prior approval of the child's parent.

(j) If a school corporation experiences a net financial impact with regard to transfer tuition that is negative for a particular school year as described in IC 6-1.1-19-5.1, the school corporation may appeal for an excessive levy as provided under IC 6-1.1-19-5.1.

Sec. 14. (a) Not later than March 1, a school corporation shall estimate the:

(1) transfer tuition payments that the school corporation is required to pay for students transferring from the school corporation; and

(2) transfer tuition payments that the school corporation is entitled to receive on behalf of students transferring to the school corporation.

A school corporation shall send a preliminary statement of the amount of transfer tuition due to the state agency and to any school corporation that owes transfer tuition to the school corporation.

(b) Not later than October 1 following the end of a school year, a school corporation shall send a final statement of the amount of transfer tuition due to the state agency and to any school corporation that owes transfer tuition to the school corporation.

(c) A statement sent under subsection (a) or (b) must include the following:

(1) A statement, to the extent known, of all transfer tuition costs chargeable to the state or school corporation for the school year ending in the current calendar year.

(2) A statement of any transfer tuition costs chargeable to the state or school corporation and not previously billed for the school year ending in the immediately preceding calendar year.

(3) A statement of any transfer tuition costs previously billed to the state or school corporation and not yet paid.

(d) Transfer tuition for each school year shall be paid by the transferor corporation or state, if the entity is obligated to pay the tuition, in not more than four (4) installments. These installments must be paid not later than October 30, January 10, April 10, and July 10 following the school year in which the obligation is

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incurred, unless another schedule is mutually agreed upon.

(e) Payment of operating costs shall be paid from and receipted to the respective general funds of the transferor and transferee corporations. Payment of capital costs shall be made by the transferor corporation at its discretion from any fund or source and shall be receipted by the transferee corporation at its discretion either to the capital projects fund or to the debt service fund, or if the transferee corporation has neither of these two (2) funds, to its general fund.

Sec. 15. (a) The state board shall hear the following:

(1) All appeals from an order expelling a child under IC 20-33-8-17.

(2) All appeals provided in this chapter.

(3) All disputes on the following:

(A) Legal settlement.

(B) Right to transfer.

(C) Right to attend school in any school corporation.

(D) Amount of transfer tuition.

(E) Any other matter arising under this chapter.

The board shall hold a hearing on the timely written application of any interested party.

(b) The state board shall make its determination under the following procedure:

(1) A hearing shall be held on each matter presented.

(2) Each interested party, including where appropriate, the parents, the student, the transferor corporation, the transferee corporation, or the state, shall be given at least ten (10) days notice of the hearing by certified mail or by personal delivery.

(3) The date of giving the notice is the date of mailing or delivery.

(4) Any interested party may appear at the hearing in person or by counsel, present evidence, cross-examine witnesses, and present in writing or orally summary statements of position.

(5) A written or recorded transcript of the hearing shall be made.

(6) The hearing may be held by the state board or by a hearing examiner appointed by it who must be a state employee.

(7) The hearing, at the option of the state board or hearing examiner, may be held at any place in Indiana.

(8) The hearing examiner shall make written findings of fact

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and recommendations.

(9) The determination of the state board must be made on the basis of the record, summaries, and findings, but it is required to examine only those parts of the entire record as it considers necessary.

(c) The hearing and proceedings are not governed by IC 4-21.5.

(d) The determination of the state board is final and binding on the parties to the proceeding.

(e) A notice of the state board's determination shall be mailed to each party by certified mail. An action to contest the validity of the decision may not be instituted more than thirty (30) days after the mailing of the notice.

Sec. 16. (a) The provisions to implement this chapter, including:

(1) the calculation of transfer tuition;

(2) the credits for state distribution; and

(3) the time in the year when requests for transfer must be filed;

shall be implemented by rules adopted by the state board.

(b) The state board shall adopt rules for the enforcement of the payment of transfer tuition. The enforcement may include withholding state support from the transferor corporation for the benefit of the transferee corporation, charging interest, penalties for late payment, and the costs of collection.

(c) If a school corporation prevails at the final adjudication of:

(1) an administrative proceeding under this chapter; or

(2) a lawsuit against a school corporation;

to compel payment of transfer tuition owed by the school corporation under this chapter, the administrative body or the court shall award to the prevailing party the transfer tuition owed, if any, plus reasonable attorney's fees and interest as provided by law.

Sec. 17. (a) Each year before the date specified in the rules adopted by the state board, a school corporation shall report the information specified in subsection (b) for each student:

(1) for whom tuition support is paid by another school corporation;

(2) for whom tuition support is paid by the state; and

(3) who is enrolled in the school corporation but has the equivalent of a legal settlement in another state or country;

to the county office (as defined in IC 12-7-2-45) for the county in which the principal office of the school corporation is located and to the department.

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(b) Each school corporation shall provide the following information for each school year for each category of student described in subsection (a):

(1) The amount of tuition support and other support received for the students described in subsection (a).

(2) The operating expenses, as determined under section 13 of this chapter, incurred for the students described in subsection (a).

(3) Special equipment expenditures that are directly related to educating students described in subsection (a).

(4) The number of transfer students described in subsection (a).

(5) Any other information required under the rules adopted by the state board after consultation with the office of the secretary of family and social services.

(c) The information required under this section shall be reported in the format and on the forms specified by the state board.

(d) Not later than November 30 of each year the department shall compile the information required from school corporations under this section and submit the compiled information in the form specified by the office of the secretary of family and social services to the office of the secretary of family and social services.

(e) Not later than November 30 of each year each county office shall submit the following information to the office of the secretary of family and social services for each child who is described in IC 12-19-7-1(1) and is placed in another state or is a student in a school outside the school corporation where the child has legal settlement:

(1) The name of the child.

(2) The name of the school corporation where the child has legal settlement.

(3) The last known address of the custodial parent or guardian of the child.

(4) Any other information required by the office of the secretary of family and social services.

(f) Not later than December 31 of each year, the office of the secretary of family and social services shall submit a report to the members of the budget committee and the executive director of the legislative services agency that compiles and analyzes the information required from school corporations under this section. The report must identify the types of state and local funding

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changes that are needed to provide adequate state and local money to educate transfer students. A report submitted under this subsection to the executive director of the legislative services agency must be in an electronic format under IC 5-14-6.

Sec. 18. (a) If a student:

(1) has legal settlement in the attendance area of a school corporation in another state, when legal settlement is determined without regard to the appointment of a guardian in Indiana solely to facilitate the placement of the student in a facility described in subdivision (2);

(2) is placed in a state licensed private or public health care facility, private or public child care institution, or treatment center in Indiana by:

(A) the parent of the student; or

(B) a governmental entity in another state; and

(3) is enrolled in a school corporation in Indiana;

the state licensed private or public health care facility, private or public child care institution, or treatment center where the student is placed, regardless of when the student is placed, is jointly liable with the person placing the student for transfer tuition under this chapter.

(b) Notwithstanding subsection (a), a sole proprietorship, a partnership, an association, a corporation, a limited liability company, a fiduciary, an individual who is not the student's parent, or another entity in Indiana that accepts the placement of a student who:

(1) has legal settlement in the attendance area of a school corporation in another state; and

(2) is enrolled in a school corporation in Indiana;

is the guarantor for the student's transfer tuition under this chapter unless there is another guarantor. The state board shall hear all appeals under this subsection in accordance with section 15 of this chapter.

Sec. 19. (a) This section through section 29 of this chapter concern the transfer of students for education from one (1) school corporation (transferor corporation) to another school corporation (transferee corporation) in compliance with a court order as described in this section. This chapter applies solely in a situation where a court of the United States or of Indiana in a suit to which the transferor or transferee corporation or corporations are parties has found the following:

(1) A transferor corporation has violated the equal protection

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clause of the Fourteenth Amendment to the Constitution of the United States by practicing de jure racial segregation of the students within its borders.

(2) A unitary school system within the meaning of the Fourteenth Amendment cannot be implemented within the boundaries of the transferor corporation.

(3) The Fourteenth Amendment compels the court to order a transferor corporation to transfer its students for education to one (1) or more transferee corporations to effect a plan of desegregation in the transferor corporation that is acceptable within the meaning of the Fourteenth Amendment.

(b) This chapter does not apply until all appeals from the order, whether taken by the transferor corporation, any transferee corporation or any party to the action, have been exhausted or the time for taking the appeals has expired, except where all stays of a transfer order pending appeal or further court action have been denied.

Sec. 20. (a) As used in sections 19 through 29 of this chapter, "ADM" refers to ADM as defined in IC 21-3-1.6-1.1.

(b) As used in sections 19 through 29 of this chapter, "capital projects fund" refers to the school corporation fund set up under IC 21-2-15.

(c) As used in sections 19 through 29 of this chapter, "class of school" refers to a classification of each school in the transferee corporation by the grades taught therein (generally denominated as elementary schools, middle schools or junior high schools, high schools, and special schools such as schools for special education, vocational training or career education). Elementary schools include schools containing kindergarten, but for purposes of this chapter, a kindergarten student shall be counted as one-half (1/2) student.

(d) As used in sections 19 through 29 of this chapter, "debt service fund" refers to the school corporation fund set up under IC 21-2-4.

(e) As used in sections 19 through 29 of this chapter, "general fund" refers to the school corporation funds set up under IC 21-2-11.

(f) As used in sections 19 through 29 of this chapter, "transferee corporation" means the school corporation receiving students under a court order described in section 19 of this chapter.

(g) As used in sections 19 through 29 of this chapter, "transferor corporation" means the school corporation transferring students

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under a court order described in section 19 of this chapter.

(h) As used in sections 19 through 29 of this chapter, "transferred student" means any student transferred under a court order described in section 19 of this chapter.

Sec. 21. (a) The governing body of a transferee corporation may add two (2) members, one (1) of whom must be a resident of the contributing geographic area within the transferor corporation from which students are being bused, to the transferee corporation's governing body for each transferor corporation that the transferee corporation serves. These members are in addition to the number of members of the governing body who are residents of the transferee corporation.

(b) Each member who is a resident of a contributing transferor corporation added to the governing body of a transferee corporation by this section:

(1) shall be elected by a majority of all registered and eligible voters who vote in each applicable school board election in the school corporation;

(2) must have the same qualifications, other than residency or property ownership, that are required for a member of the governing body who is a resident of the transferee corporation; and

(3) serves for the same number of years as members of the governing body who are residents of the transferee corporation.

(c) The members of the governing body of the transferee corporation shall appoint by majority vote the first additional members of a governing body under this section. The members appointed under this subsection serve until replacement members are elected under subsections (d) and (e).

(d) The first elected members of a governing body from a transferor corporation shall be elected at the first election after the members are added under subsection (a):

(1) that occurs in the transferor corporation; and

(2) where one (1) or more members of the governing body of the transferor corporation are elected.

The election shall be conducted in the manner required by law for the conduct of elections of governing bodies of school corporations.

(e) This subsection applies to an additional member of a governing body appointed under subsection (c) to whom subsection (d) does not apply. The first additional elected member of a governing body must be elected at the first election after the

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members are added under subsection (a) where one (1) or more members of the governing body of the transferee corporation are elected. The election must be conducted in the manner required by law for the conduct of elections of governing bodies of school corporations.

Sec. 22. (a) The transferee corporation is entitled to receive from the transferor corporation transfer tuition for each transferred student for each school year calculated in two (2) parts:

(1) operating cost; and

(2) capital cost.

These costs must be allocated on a per student basis separately for each class of school.

(b) The operating cost for each class of school must be based on the total expenditures of the transferee corporation for the class from its general fund expenditures as set out on the classified budget forms prescribed by the state board of accounts, excluding from the calculation capital outlay, debt service, costs of transportation, salaries of board members, contracted service for legal expenses and any expenditure that is made out of the general fund from extracurricular account receipts, for the school year.

(c) The capital cost for each class of school must consist of the lesser of the following alternatives:

(1) The capital cost must be based on an amount equal to five percent (5%) of the cost of transferee corporation's physical plant, equipment, and all items connected to the physical plant or equipment, including:

(A) buildings, additions, and remodeling to the buildings, excluding ordinary maintenance; and

(B) on-site and off-site improvements such as walks, sewers, waterlines, drives, and playgrounds;

that have been paid or are obligated to be paid in the future out of the general fund, capital projects fund, or debt service fund, including principal and interest, lease rental payments, and funds that were legal predecessors to these funds. If an item of the physical plant, equipment, appurtenances, or part of the item is more than twenty (20) years old at the beginning of the school year, the capital cost of the item shall be disregarded in making the capital cost computation.

(2) The capital cost must be based on the amount budgeted from the general fund for capital outlay for physical plant, equipment, and appurtenances and the amounts levied for the

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debt service fund and the capital projects fund for the calendar year in which the school year ends.

(d) If an item of expense or cost cannot be allocated to a class of school, the item shall be prorated to all classes of schools on the basis of the ADM of each class in the transferee corporation compared to the total ADM therein.

(e) The transfer tuition for each student transferred for each school year shall be calculated by dividing the transferee school corporation's total operating costs and the total capital costs for the class of school in which the student is enrolled by the ADM of students therein. If a transferred student is enrolled in a transferee corporation for less than the full school year, the transfer tuition shall be calculated by the proportion of such school year for which the transferred student is enrolled. A school year for this purpose consists of the number of days school is in session for student attendance. A student shall be enrolled in a transferee school, whether or not the student is in attendance, unless the:

(1) student's residence is outside the area of students transferred to the transferee corporation;

(2) student has been excluded or expelled from school; or

(3) student has been confirmed as a school dropout.

The transferor and transferee corporations may enter into written agreements concerning the amount of transfer tuition. If an agreement cannot be reached, the amount shall be determined by the state superintendent, with costs to be established, where in dispute, by the state board of accounts.

(f) The transferor corporation shall pay the transferee corporation, when billed, the amount of book rental due from transferred students who are unable to pay the book rental amount. The transferor corporation is entitled to collect the amount of the book rental from the appropriate township trustee, from its own funds, or from any other source, in the amounts and manner provided by law.

Sec. 23. (a) If a transfer is ordered to commence in a school year, where the transferor corporation has net additional costs over savings (on account of any transfer ordered) allocable to the calendar year in which the school year begins, and where the transferee corporation does not have budgeted funds for the net additional costs, the net additional costs may be recovered by one (1) or more of the following methods in addition to any other methods provided by applicable law:

(1) An emergency loan made under IC 21-2-21-6 to be paid,

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out of the debt service levy and fund, or a loan from any state fund made available for the net additional costs.

(2) An advance in the calendar year of state funds, which would otherwise become payable to the transferee corporation after such calendar year under law.

(3) A grant or grants in the calendar year from any funds of the state made available for the net additional costs.

(b) The net additional costs must be certified by the department of local government finance, and any grant shall be made solely after affirmative recommendation of the school property tax control board established by IC 6-1.1-19-4.1. Repayment of any advance or loan from the state shall be made in accordance with IC 6-1.1-19-4.5(d). The use of any of the methods in this section does not subject the transferor corporation to IC 6-1.1-19-4.7.

Sec. 24. Transfer tuition for each school year shall be paid by the transferor corporation during the term of the year and following the end of term in four (4) installments within ten (10) days after the first day of November, February, May and August, respectively. The first three (3) payments shall be calculated on the basis of estimates based on the previous year's cost per student and the enrollment for the day schools are open in the transferee corporation next preceding the applicable payment date.

Sec. 25. (a) Payment of the operating cost must be paid from and receipted to the respective general funds of the transferor and transferee corporations.

(b) Payment of capital costs must be made by the transferor corporation, at its discretion, from any fund or source and be receipted by the transferee corporation, at its discretion, either to the cumulative building fund or to the debt service fund.

Sec. 26. The transferor corporation shall provide each transferred student transportation to and from the school in the transferee corporation to which the student is assigned. However, the transferor corporation may require the transferred student to walk a reasonable distance from the student's home to school or to a transportation pickup point.

Sec. 27. Transportation must be provided by the transferor corporation to each transferred student under IC 20-27. However, the transferor corporation may contract with the transferee corporation to provide transportation to the transferred students (the transferor corporation paying the costs of transportation) and that the transferor corporation, in addition to the other means of financing the purchase of transportation equipment, may make the

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purchases out of its cumulative building fund.

Sec. 28. Transportation costs for transferred students for each calendar year or for capital outlay and for operations shall be reimbursed by the state to the transferor corporation in the same percent of the total outlay that the distributions to the transferor corporation under IC 21-3-1.5-3, or from the state flat grant distribution account where it is credited to the general fund, constitute its total annual general fund appropriations for such year. In this calculation, there shall be excluded from general fund appropriations capital outlay, debt service, and any expenditure that is made out of the general fund from extracurricular accounts. Any amount not reimbursed and raised as part of the transferor corporation's general fund levy constitutes an increase in its base tax levy for that budget year, as otherwise defined and as applied in IC 6-1.1-1-16 and IC 6-1.1-19. The state reimbursement for transportation operating expense to the transferor corporation may not be less than it would receive under applicable law without regard to this section.

Sec. 29. (a) The provisions of sections 19 through 29 of this chapter concerning the calculation of transfer tuition, the credits for state distribution, state reimbursement of transportation costs, or other state reimbursement may be implemented by rules adopted by the state board.

(b) The state board shall adopt rules for the enforcement of the payment of transfer tuition. The payment enforcement may include the withholding of state support from the transferor corporation for the benefit of the transferee corporation.

(c) A transferor or the transferee corporation may dispute the amount of transfer tuition or state reimbursement by petitioning the state superintendent. Any dispute in the amount of transfer tuition or state reimbursement shall be determined by the state superintendent.

Chapter 12. Textbooks

Sec. 1. (a) Except as provided in subsections (b) and (c) and notwithstanding any other law, each governing body shall purchase from a contracting publisher, at a price equal to or less than the net contract price, the textbooks adopted by the state board and selected by the proper local officials, and shall rent these textbooks to each student enrolled in a public school that is:

(1) in compliance with the minimum certification standards of the board; and

(2) located within the attendance unit served by the governing

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body.

(b) This section does not prohibit the purchase of textbooks at the option of a student or the providing of free textbooks by the governing body under sections 6 through 21 of this chapter.

(c) This section does not prohibit a governing body from suspending the operation of this section under a contract entered into under IC 20-26-15.

Sec. 2. (a) A governing body may purchase from a contracting publisher, at a price equal to or less than the net contract price, any textbook adopted by the state board and selected by the proper local officials. The governing body may rent these textbooks to students enrolled in any public or nonpublic school that is:

(1) in compliance with the minimum certification standards of the state board; and

(2) located within the attendance unit served by the governing body.

The annual rental rate may not exceed twenty-five percent (25%) of the retail price of the textbooks.

(b) Notwithstanding subsection (a), the governing body may not assess a rental fee of more than fifteen percent (15%) of the retail price of a textbook that has been:

(1) adopted for usage by students under IC 20-20-5;

(2) extended for usage by students under IC 20-20-5-2; and

(3) paid for through rental fees previously collected.

(c) This section does not limit other laws.

Sec. 3. (a) Upon a written determination by the governing body of a school corporation that a textbook is no longer scheduled for use in the school corporation, the governing body may sell, exchange, transfer, or otherwise convey the textbook. However, before a governing body may mutilate or otherwise destroy a textbook, the governing body must first comply with the following provisions:

(1) Subsection (b).

(2) Subsection (c).

(3) Section 4 of this chapter.

(4) Section 5 of this chapter.

(b) Before a governing body may mutilate or otherwise destroy a textbook, the governing body shall provide at no cost and subject to availability one (1) copy of each textbook that is no longer scheduled for use in the school corporation to:

(1) the parent of each student who is enrolled in the school corporation and who wishes to receive a copy of the textbook;

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and

(2) if any textbooks remain after distribution under subdivision (1), to any resident of the school corporation who wishes to receive a copy of the textbook.

(c) If a governing body does not sell, exchange, transfer, or otherwise convey unused textbooks under subsection (a) or (b), each public elementary and secondary school in the governing body's school corporation shall provide storage for at least three (3) months for the textbooks in the school corporation. A school corporation may sell or otherwise convey the textbooks to another school corporation at any time during the period of storage.

Sec. 4. (a) A school corporation shall compile a list of textbooks in storage under section 3 of this chapter. The list must include the names of the publishers and the number of volumes being stored. The list must be mailed to the department. The department shall maintain a master list of all textbooks being stored by school corporations.

(b) Upon request, the state superintendent shall mail to a nonprofit corporation or institution located in Indiana a list of textbooks available for access. A nonprofit corporation or institution may acquire the textbooks from the appropriate school corporation by paying only the cost of shipping and mailing.

Sec. 5. Textbooks stored for at least three (3) months under section 3 of this chapter may not be mutilated or destroyed and must be maintained and stored according to regulations prescribed by local and state health authorities. Textbooks that have not been requested after at least three (3) months may be mutilated, destroyed, or otherwise disposed of by the school corporation.

Sec. 6. (a) Sections 7 through 21 of this chapter apply to elementary and high school libraries that contain free textbooks. The textbooks must be adopted by the board and selected by the proper local officials.

(b) As used in sections 6 through 21 of this chapter, "resident student" means a student enrolled in any of the grades in any school located in a school corporation, whether the student resides there or is transferred there for school purposes.

Sec. 7. (a) If a petition requesting the establishment of an elementary school library is filed with a governing body, the governing body shall provide a library containing textbooks in sufficient numbers to meet the needs of every resident student in each of the eight (8) grades of each elementary school. The petition must be signed by at least fifty-one percent (51%) of the registered

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voters of the governing body's school corporation.

(b) This subsection applies to a governing body that has established an elementary school library under subsection (a). If a petition requesting establishment of a high school library is filed with the governing body, the governing body shall provide a library containing textbooks in sufficient numbers to meet the needs of every resident student in each of the four (4) grades of each high school. The petition must be signed by at least twenty percent (20%) of the voters of the school corporation as determined by the total vote cast at the last general election for the trustee of the township, clerk of the town, or mayor of the city.

Sec. 8. A petition for an elementary or a high school library under section 7 of this chapter must be in substantially the following form:

To the governing body of the school corporation of _____

We, the undersigned voters of the school corporation of _____ respectfully petition the governing body of the school corporation of _____ to establish an elementary school (or high school, as appropriate) library and to lend its school textbooks free of charge to the resident students of the school corporation of _____, under IC 20-26-12.

NAME	ADDRESS	DATE
_____	_____	_____
_____	_____	_____

STATE OF INDIANA)
) SS:
_____ COUNTY)

_____ being duly sworn, deposes and says that he or she is the circulator of this petition paper and that the appended signatures were made in his or her presence and are the genuine signatures of the persons whose names they purport to be.

Signed _____

Subscribed and sworn to before me this ____ day of _____, 20 __.

_____
Notary Public

Sec. 9. The signatures to each petition may be appended to one (1) petition paper. An affidavit of the circulator must be attached to each petition paper. The affidavit must state that each signature was made in the circulator's presence and is the genuine signature of the person whose name it purports to be. Each signature must be made in ink or indelible pencil. Each signer shall state the

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signer's name, the signer's residence by street and number, or any other description sufficient to identify the place and the date of the signing.

Sec. 10. A person who signs a petition under this chapter must be registered to vote in the precinct in which the person resides to be qualified to sign and to have the signature count.

Sec. 11. All petition papers requesting the establishment of a library under this chapter must be assembled and filed as one (1) instrument before July 2.

Sec. 12. (a) A governing body shall examine petition papers filed under section 11 of this chapter and shall have the names checked against the voter registration records in the county in which the governing body's school corporation is located.

(b) A governing body may employ clerks to check voter registration records under this section. The governing body may pay these expenses from the school corporation's general fund without a specific appropriation.

(c) A clerk employed under subsection (b) shall take an oath to perform honestly and faithfully. The clerk is entitled to daily compensation of not more than three dollars ($3) for this work.

Sec. 13. If a sufficient petition is filed under section 11 of this chapter, a governing body shall note on the records of the governing body's school corporation that by filing the petition the school corporation must maintain:

(1) an elementary school library containing textbooks in sufficient numbers to meet the needs of every resident student in each of the first eight (8) grades of each elementary school located within the school corporation; or

(2) a high school library containing textbooks in sufficient numbers to meet the needs of every resident student in each of the four (4) grades of each high school located within the school corporation;

as applicable.

Sec. 14. (a) This subsection applies to a school corporation described in section 13(1) of this chapter. The governing body shall make the first appropriation from the school corporation's general fund in August following the petition's filing. Not later than the school term following the first appropriation, the library must be established and textbooks must be loaned to resident students enrolled in the first five (5) grades of the elementary school. Not later than the second school term following the first appropriation, textbooks must be procured and loaned to resident students

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enrolled in the eight (8) grades of the elementary school.

(b) This subsection applies to a school corporation described in section 13(2) of this chapter. The governing body shall make the first appropriation from the school corporation's general fund in September following the petition's filing. Not later than the second school term following the first appropriation, the library must be established and textbooks of the library must be loaned to resident students enrolled in grade nine of the high school. During each following school term, textbooks must be procured and loaned to resident students for an additional high school grade, in addition to the earlier high school grades.

Sec. 15. (a) A governing body shall requisition the necessary textbooks from the contracting publishers approved by the state board. The contracting publisher shall ship the textbooks to the governing body not more than ninety (90) days after the requisition. On receipt of the textbooks, the governing body's school corporation has custody of the textbooks. The governing body shall provide a receipt to the contracting publisher and reimburse the contracting publisher the amount owed by the school corporation from the school corporation's general fund.

(b) A governing body shall purchase textbooks:

(1) from a resident student who presents the textbooks for sale on or before the beginning of the school term in which the books are to be used;

(2) with money from the school corporation's general fund; and

(3) at a price based on the original price to the school corporation minus a reasonable reduction for damage from usage.

(c) The proper school authorities shall purchase any textbooks that are to be used during any school year from any dealer:

(1) whose business is located in the county in which the school corporation is located; and

(2) who was authorized to sell textbooks before March 1, 1935.

The purchase price may not exceed the price paid by the dealer to the contracting publisher.

Sec. 16. Upon receipt of the textbooks, a governing body shall loan the textbooks at no charge to each resident student. Library textbooks are available to each resident student under this chapter and under regulations prescribed by the superintendent and governing body of the school corporation.

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Sec. 17. (a) If a student transfers to a school corporation other than the one in which the student resides under IC 20-26-11, the governing body of the school corporation to which the student transfers shall purchase a sufficient supply of books for the transferred student.

(b) In the annual settlement between the school corporations for tuition of transferred students, the amounts must include rental of the books furnished to the transferred students. The state board shall determine the rental rate.

Sec. 18. A governing body may provide a sufficient number of textbooks for sale to resident students at the price stipulated in the contracts under which the textbooks are supplied to the governing body's school corporation. Proceeds from sales under this section must be paid into the school corporation's general fund.

Sec. 19. A governing body shall provide sufficient library facilities for the textbooks to best accommodate the resident students.

Sec. 20. A governing body shall prescribe reasonable rules and regulations for the care, custody, and return of library textbooks. A resident student using library textbooks is responsible for the loss, mutilation, or defacement of the library textbooks, other than reasonable wear.

Sec. 21. A governing body shall provide for the fumigation or destruction of library textbooks at the times and under regulations prescribed by local and state health authorities. Before a governing body may mutilate or otherwise destroy a textbook, the governing body shall provide at no cost and subject to availability one (1) copy of each textbook that is no longer scheduled for use in the school corporation to:

(1) the parent of each child who is enrolled in the school corporation and who wishes to receive a copy of the textbook; and

(2) if any textbooks remain after distribution under subdivision (1), to any resident of the school corporation who wishes to receive a copy of the textbook.

Sec. 22. If a school corporation purchases textbooks on a time basis:

(1) the schedule for payments shall coincide with student payments to the school corporation for textbook rental; and

(2) the schedule must not require the school corporation to assume a greater burden than payment of twenty-five percent (25%) within thirty (30) days after the beginning of the school

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year immediately following delivery by the contracting publisher with the school corporation's promissory note evidencing the unpaid balance.

Sec. 23. (a) A school corporation may:

(1) borrow money to buy textbooks; and

(2) issue notes, maturing serially in not more than six (6) years and payable from its general fund, to secure the loan.

However, when an adoption is made by the state board for less than six (6) years, the period for which the notes may be issued is limited to the period for which that adoption is effective.

(b) Notwithstanding subsection (a), a school township may not borrow money to purchase textbooks unless a petition requesting such an action and bearing the signatures of twenty-five percent (25%) of the resident taxpayers of the school township has been presented to and approved by the township trustee and township board.

Sec. 24. (a) The superintendent shall establish procedures for textbook adoption. The procedures must include the involvement of teachers and parents on an advisory committee for the preparation of recommendations for textbook adoptions. The majority of the members of the advisory committee must be teachers, and at least forty percent (40%) of the committee must be parents. These recommendations shall be submitted to the superintendent in accordance with the established procedures in the local school corporation.

(b) The governing body, upon receiving these recommendations from the superintendent, shall adopt from the state textbook adoption lists a textbook for use in teaching each subject in the school corporation.

(c) A special committee of teachers and parents may also be appointed to review books, magazines, and audiovisual material used or proposed for use in the classroom to supplement state adopted textbooks and may make recommendations to the superintendent and the governing body concerning the use of this material.

(d) A textbook selected shall be used for the lesser of:

(1) six (6) years; or

(2) the effective period of the state board's adoption of that textbook.

(e) A selection may be extended beyond that period for up to six (6) years if the governing body is granted a waiver under section 28 of this chapter.

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Sec. 25. (a) After a local superintendent has selected textbooks under this chapter, and not later than July 1, when new contracts become effective, the superintendent shall forward to the state board a list of those selections for all subjects and grades.

(b) The state board shall:

(1) examine the lists forwarded under subsection (a); and

(2) if the state board finds a deviation from the state adopted list and a waiver has not been granted under section 28 of this chapter, notify the local superintendent of the deviation.

If the school corporation does not comply with this chapter within thirty (30) days after receiving the notification, the state board shall cancel the accreditation of the offending schools.

Sec. 26. If a family moves during the school term from one (1) school corporation to another within the state, the corporation from which they move shall:

(1) evaluate the affected children's textbooks; and

(2) offer to purchase the textbooks at a reasonable price for resale to any family that moves into that corporation during a school term.

Sec. 27. It is unlawful for a person, firm, or school corporation to sell selected textbooks at a price exceeding one hundred twenty percent (120%) of the net price submitted to the state board. The person, firm, or school corporation shall pay all transportation charges.

Sec. 28. (a) After giving the advisory committee under section 24 of this chapter an opportunity to give its recommendation, the governing body may request a waiver from the adoption requirements of this chapter if the governing body believes that the educational needs of the students attending the school corporation can best be served by:

(1) not adopting a textbook; or

(2) adopting a textbook that has not been adopted by the state board under this chapter.

(b) A request for a waiver must be submitted on a form approved by the state board before June 1 of the year preceding the first school year for which the waiver is to apply.

(c) The state board shall grant the waiver if it determines that the request is reasonable.

Chapter 13. Graduation Rate Determination

Sec. 1. This chapter applies to:

(1) a public high school; and

(2) an accredited nonpublic high school.

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Sec. 2. As used in this chapter, "cohort" refers to a class of students who:

(1) attend the same high school; and

(2) are expected to graduate from high school in the same graduation year.

Sec. 3. As used in this chapter, "enrollment" means the total number of students within a grade that is reported to the department annually on:

(1) October 1; or

(2) a date specified by the department.

Sec. 4. As used in this chapter, "expected graduation year" means the reporting year beginning three (3) years after the reporting year in which a student is first considered by a school corporation to have entered grade nine.

Sec. 5. (a) As used in this chapter, "graduation" means the successful completion by a student of:

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

(2) the graduation examination or waiver process required under IC 20-32-3 through IC 20-32-6;

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

(b) The term does not include the granting of a general educational development diploma under IC 20-20-6.

Sec. 6. As used in this chapter, "graduation rate" means the percentage of students within a cohort who graduate during their expected graduation year.

Sec. 7. As used in this chapter, "reporting year" refers to the period beginning October 1 of a year and ending September 30 of the following year.

Sec. 8. As used in this chapter, "retention" refers to the reclassification by a school corporation of a student that places the student into a cohort that has an expected graduation year after the expected graduation year of the student's initial cohort.

Sec. 9. Beginning with the class of students who are expected to graduate in the 2005-2006 school year, the department shall determine the graduation rate of high school students under this chapter.

Sec. 10. The graduation rate for a cohort in a high school is the percentage determined under STEP SEVEN of the following formula:

STEP ONE: Determine the grade 9 enrollment at the

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beginning of the reporting year three (3) years before the reporting year for which the graduation rate is being determined.

STEP TWO: Add:

(A) the number determined under STEP ONE; and

(B) the number of students who:

(i) have enrolled in the high school after the date on which the number determined under STEP ONE was determined; and

(ii) have the same expected graduation year as the cohort.

STEP THREE: Add:

(A) the sum determined under STEP TWO; and

(B) the number of retained students from earlier cohorts who became members of the cohort for whom the graduation rate is being determined.

STEP FOUR: Add:

(A) the sum determined under STEP THREE; and

(B) the number of students who:

(i) began the reporting year in a cohort that expects to graduate during a future reporting year; and

(ii) graduate during the current reporting year.

STEP FIVE: Subtract from the sum determined under STEP FOUR the number of students who have left the cohort for any of the following reasons:

(A) Transfer to another public or nonpublic school.

(B) Removal by the student's parents under IC 20-33-2-28 to provide instruction equivalent to that given in the public schools.

(C) Withdrawal because of a long term medical condition or death.

(D) Detention by a law enforcement agency or the department of correction.

(E) Placement by a court order or the division of family and children.

(F) Enrollment in a virtual school.

(G) Graduation before the beginning of the reporting year.

(H) Leaving school, if the location of the student cannot be determined.

STEP SIX: Determine the total number of students who have graduated during the current reporting year.

STEP SEVEN: Divide:

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(A) the number determined under STEP SIX; by

(B) the remainder determined under STEP FIVE.

Chapter 14. Interscholastic Athletic Associations

Sec. 1. As used in this chapter, "association" means an organization that conducts, organizes, sanctions, or sponsors interscholastic high school athletic events as the organization's primary purpose.

Sec. 2. As used in this chapter, "case" refers to a decision of the association:

(1) that concerns the application or interpretation of a rule of the association to an individual student; and

(2) with which the student's parent disagrees.

Sec. 3. As used in this chapter, "panel" refers to the case review panel established under section 6 of this chapter.

Sec. 4. As used in this chapter, "state superintendent" refers to the state superintendent of public instruction.

Sec. 5. A school corporation may participate in:

(1) an association; or

(2) an athletic event conducted, organized, sanctioned, or sponsored by an association;

if the association complies with this chapter.

Sec. 6. (a) The association must establish a case review panel that meets the following requirements:

(1) The panel has nine (9) members.

(2) The state superintendent or the state superintendent's designee is a member of the panel and is the chairperson of the panel.

(3) The state superintendent appoints as members of the panel persons having the following qualifications:

(A) Four (4) parents of high school students.

(B) Two (2) high school principals.

(C) Two (2) high school athletic directors.

(4) A member of the panel serves for a four (4) year term, subject to the following:

(A) An appointee who ceases to meet the member's qualification under subdivision (3) ceases to be a member of the panel.

(B) The state superintendent shall appoint fifty percent (50%) of the initial appointees under each clause in subdivision (3) for terms of two (2) years, so that terms of the panel are staggered.

(5) The panel must meet monthly, unless there are no cases

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before the panel. The panel may meet more frequently at the call of the chairperson. However, the chairperson must call a meeting within five (5) business days after the panel receives a case in which time is a factor in relation to the scheduling of an athletic competition.

(6) A quorum of the panel is five (5) members. The affirmative vote of five (5) members of the panel is required for the panel to take action.

(b) A student's parent who disagrees with a decision of the association concerning the application or interpretation of a rule of the association to the student shall have the right to do one (1) of the following:

(1) Accept the decision.

(2) Take legal action without first referring the case to the panel.

(3) Refer the case to the panel.

(c) Upon receipt of a case, the panel must do the following:

(1) Collect testimony and information on the case, including testimony and information from both the association and the parent.

(2) Place the case on the panel's agenda and consider the case at a meeting of the panel.

(3) Make one (1) of the following decisions:

(A) Uphold the association's decision on the case.

(B) Modify the association's decision on the case.

(C) Nullify the association's decision on the case.

(d) The association must implement the decision of the panel on each case. However, a decision of the panel:

(1) applies only to the case before the panel; and

(2) does not affect any rule of the association or decision under any rule concerning any student other than the student whose parent referred the case to the panel.

(e) The association shall pay all costs attributable to the operation of the panel, including travel and per diem for panel members.

Chapter 15. Freeway School Corporation and Freeway School Program

Sec. 1. As used in this chapter, "contract" refers to a contract entered into under this chapter for the establishment of:

(1) a freeway school corporation; or

(2) a freeway school.

Sec. 2. As used in this chapter, "freeway school" refers to:

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(1) a school for which a contract has been entered into under this chapter; or

(2) a nonpublic school that enters into a contract under section 13 of this chapter.

Sec. 3. As used in this chapter, "freeway school corporation" refers to a school corporation that enters into a contract under this chapter.

Sec. 4. (a) The state board and the governing body of a school corporation must enter into a contract that complies with this chapter to designate a school corporation as a freeway school corporation or a school within a school corporation as a freeway school if a school corporation:

(1) petitions the state board for designation as a freeway school corporation or to have a school within the school corporation designated as a freeway school; and

(2) agrees to comply with this chapter.

(b) A school corporation becomes a freeway school corporation and a school becomes a freeway school when the contract is signed by:

(1) the state superintendent, acting for the state board after a majority of the members of the state board have voted in a public session to enter into the contract; and

(2) the president of the governing body of the school corporation, acting for the governing body of the school corporation after a majority of the members of the governing body have voted in a public session to enter into the contract.

Sec. 5. Notwithstanding any other law, the operation of the following is suspended for a freeway school corporation or a freeway school if the governing body of the school corporation elects to have the specific statute or rule suspended in the contract:

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

IC 20-30-2-7
IC 20-30-5-8
IC 20-30-5-9
IC 20-30-5-11
511 IAC 6-7-6
511 IAC 6.1-3-4
511 IAC 6.1-5-0.5
511 IAC 6.1-5-1
511 IAC 6.1-5-2.5
511 IAC 6.1-5-3.5

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511 IAC 6.1-5-4.

(2) The following rule concerning pupil/teacher ratios:

511 IAC 6.1-4-1.

(3) The following statutes and rules concerning textbooks:

IC 20-20-5-1 through IC 20-20-5-4

IC 20-20-5-23

IC 20-26-12-24

IC 20-26-12-26

IC 20-26-12-28

IC 20-26-12-1

IC 20-26-12-2

511 IAC 6.1-5-5.

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

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

(6) IC 20-32-5, concerning the ISTEP program established under IC 20-32-5-15, if an alternative locally adopted assessment program is adopted under section 6(7) of this chapter.

Sec. 6. Except as provided in this chapter and notwithstanding any other law, a freeway school corporation or a freeway school may do the following during the contract period:

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

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

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

(4) Establish a professional development and technology fund to be used for:

(A) professional development; or

(B) technology, including video distance learning.

However, any money deposited in the professional development and technology fund for technology purposes

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must be transferred to the school technology fund established under IC 21-2-18.

(5) Subject to subdivision (4), transfer funds obtained from sources other than state or local government taxation among any accounts of the school corporation, including a professional development and technology fund established under subdivision (4).

(6) Transfer funds obtained from property taxation and from state distributions among the general fund (established under IC 21-2-11) and the school transportation fund (established under IC 21-2-11.5), subject to the following:

(A) The sum of the property tax rates for the general fund and the school transportation fund after a transfer occurs under this subdivision may not exceed the sum of the property tax rates for the general fund and the school transportation fund before a transfer occurs under this subdivision.

(B) This subdivision does not allow a school corporation to transfer to any other fund money from the:

(i) capital projects fund (established under IC 21-2-15); or

(ii) debt service fund (established under IC 21-2-4).

(7) Establish a locally adopted assessment program to replace the assessment of students under the ISTEP program established under IC 20-32-5-15, subject to the following:

(A) A locally adopted assessment program must be established by the governing body and approved by the department.

(B) A locally adopted assessment program may use a locally developed test or a nationally developed test.

(C) Results of assessments under a locally adopted assessment program are subject to the same reporting requirements as results under the ISTEP program.

(D) Each student who completes a locally adopted assessment program and the student's parent have the same rights to inspection and rescoring as set forth in IC 20-32-5-9.

Sec. 7. The minimum educational benefits that a freeway school corporation or a freeway school must produce under this chapter are the following:

(1) An average attendance rate that increases:

(A) not less than two percent (2%) each school year until

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the average attendance rate is eighty-five percent (85%); and

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

(2) A successful completion rate of the assessment program by meeting essential standards under the ISTEP program (IC 20-32-5) or a locally adopted assessment program established under section 6(7) of this chapter that increases:

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

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

of the students in the designated grade levels under the ISTEP assessment program (IC 20-32-5) or the locally adopted assessment program that are grades contained in the freeway school corporation or freeway school.

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

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

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

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

Sec. 8. (a) The contract must contain the following provisions:

(1) A list of the statutes and rules that are suspended from operation in a freeway school corporation or freeway school, as listed in section 5 of this chapter.

(2) A description of the privileges of a freeway school corporation or freeway school, as listed in section 6 of this chapter.

(3) A description of the educational benefits listed in section 7 of this chapter that a freeway school corporation or freeway school agrees to:

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(A) achieve by the end of five (5) complete school years after the contract is signed; and

(B) maintain at the end of:

(i) the sixth; and

(ii) any subsequent;

complete school year after the contract is signed.

(4) A plan and a schedule for the freeway school corporation or freeway school to achieve the educational benefits listed in section 7 of this chapter by the end of five (5) complete school years after the contract is signed. The schedule must show some percentage of improvement by the end of the second, third, and fourth complete school years after the contract is signed.

(5) A school by school strategy, including curriculum, in which character education is demonstrated to be a priority. The strategy required under this subdivision must include the following subjects as integral parts of each school's character education:

(A) Hygiene.

(B) Alcohol and drugs.

(C) Diseases transmitted sexually or through drug use, including AIDS.

(D) Honesty.

(E) Respect.

(F) Abstinence and restraint.

(6) A plan under which the freeway school corporation or freeway school will offer courses that will allow a student to become eligible to receive an academic honors diploma.

(7) A plan under which the freeway school corporation or freeway school will maintain a safe and disciplined learning environment for students and teachers.

(b) In the contract:

(1) the quantitative measures of benefits may be higher, but not lower, than the minimum educational benefits listed in section 7 of this chapter; and

(2) educational benefits may be included in addition to the minimum educational benefits listed in section 7 of this chapter.

Sec. 9. The governing body of a freeway school corporation and the state board acting jointly may amend a contract entered into under this chapter:

(1) to comply with any law enacted subsequent to the

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formation of the contract;

(2) to alter the educational benefits to a level that is not below the minimum educational benefits listed in section 7 of this chapter; or

(3) for a purpose jointly agreed to by the parties.

Sec. 10. On July 1 of each year, the state board shall determine whether a freeway school corporation or freeway school that has completed:

(1) a second, third, or fourth complete school year under a contract entered under this chapter has achieved the scheduled improvement in educational benefits that the freeway school corporation or freeway school has agreed to achieve;

(2) a fifth complete school year under a contract entered under this chapter has achieved the educational benefits that the freeway school corporation or freeway school has agreed to achieve; or

(3) more than five (5) full school years under a contract entered under this chapter has maintained the educational benefits that the freeway school corporation or freeway school has agreed to maintain.

Sec. 11. (a) A school corporation that enters into a contract under this chapter to:

(1) be a freeway school corporation; or

(2) operate a freeway school;

must achieve the educational benefits that the school corporation agrees in the contract to achieve.

(b) If a school corporation that enters into a contract under this chapter to be a freeway school corporation or to operate a freeway school fails to achieve any of the educational benefits agreed upon in the contract at the end of a school year:

(1) the state board shall review the school corporation's plan and schedule for achieving the educational benefits, and, if necessary, modify the plan; and

(2) the year in which the educational benefits are not achieved is not included in the five (5) year contract period.

(c) A contract is void and a school corporation ceases immediately to be a freeway school corporation or to be eligible to operate a freeway school if:

(1) the school corporation or school has previously undergone a plan and schedule review under subsection (b); and

(2) the state board determines that the school corporation or

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school failed to achieve the following that the school corporation agreed to achieve in the contract:

(A) at the end of the second, third, or fourth complete school year after a contract is signed under this chapter, two (2) of the three (3) scheduled improvements in educational benefits that are listed in section 7 of this chapter; or

(B) at the end of the fifth complete school year after a contract is signed under this chapter, the educational benefits stated in the contract.

Sec. 12. (a) A school corporation that enters into a contract under this chapter to be a freeway school corporation or to operate a freeway school must maintain the educational benefits that the school corporation agrees to achieve in the contract.

(b) If the state board determines that a freeway school corporation or freeway school has failed to maintain the educational benefits described in subsection (a) for two (2) consecutive or nonconsecutive school years beginning with the end of the sixth school year after a contract is signed under this chapter:

(1) the contract is void; and

(2) the school corporation ceases to be:

(A) a freeway school corporation; or

(B) eligible to operate a freeway school;

on July 1 following the second school year in which the freeway school corporation or freeway school failed to maintain the required educational benefits.

Sec. 13. (a) A nonpublic school may enter into a contract with the state board to become a freeway school.

(b) The state board and the governing body of a nonpublic school must enter into a contract that complies with this chapter to designate the nonpublic school as a freeway school if the nonpublic school:

(1) petitions the state board for designation as a freeway school; and

(2) agrees to comply with this chapter.

(c) A nonpublic school becomes a freeway school when the contract is signed by:

(1) the state superintendent, acting for the state board after a majority of the members of the board have voted in a public session to enter into the contract; and

(2) the president of the governing body of the nonpublic

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school, acting for the governing body of the nonpublic school after a majority of the members of the governing body have voted to enter into the contract.

(d) The state board shall accredit a nonpublic school that:

(1) becomes a freeway school under this chapter; and

(2) complies with the terms of the contract.

Sec. 14. (a) This section applies to:

(1) a school corporation that has ceased to be a freeway school corporation; and

(2) a school that has ceased to be a freeway school.

(b) If an action taken by a school corporation or school described in subsection (a) while a contract was in effect was legal at the time the action was taken because of the waiver of a statute or rule in the contract, the action remains legal after the contract becomes void.

(c) An action taken by a school corporation or school described in subsection (a) after the date on which a contract becomes void must be in compliance with existing statutes and rules.

SECTION 11. IC 20-27 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

ARTICLE 27. SCHOOL TRANSPORTATION

Chapter 1. Applicability

Sec. 1. Except as otherwise provided, this article applies to the following:

(1) School corporations.

(2) Nonpublic schools.

Chapter 2. Definitions

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

Sec. 2. "Committee" refers to the state school bus committee established by IC 20-27-3-1.

Sec. 3. "Common carrier contract" means a contract for the transportation of students between a school corporation and a regular route common carrier of passengers that operates under the jurisdiction of the department of state revenue.

Sec. 4. "Employment contract" means a contract:

(1) between:

(A) a school corporation that owns all necessary school bus equipment; and

(B) a school bus driver; and

(2) that provides that the school bus driver is employed in the

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same manner as other noninstructional personnel are employed by the school corporation.

Sec. 5. "Fleet contract" means a contract between a school corporation and a fleet contractor in which the contractor promises to provide two (2) or more school buses and school bus drivers for student transportation.

Sec. 6. "Fleet contractor" means a person who contracts with a school corporation to provide two (2) or more school buses and school bus drivers for student transportation.

Sec. 7. "Parents supplemental transportation contract" means a contract between parents of students enrolled in a public school and a school bus driver in which the school bus driver promises to provide a school bus and driving services.

Sec. 8. "School bus" means a motor vehicle, other than a special purpose bus, that is:

(1) designed and constructed for the accommodation of more than ten (10) passengers; and

(2) used for the transportation of Indiana students.

The term includes the chassis or the body, or both.

Sec. 9. "School bus driver" means an individual charged with the responsibility of operating a school bus.

Sec. 10. "Special purpose bus" means a motor vehicle:

(1) that is designed and constructed for the accommodation of more than ten (10) passengers;

(2) that:

(A) meets the federal school bus safety requirements under 49 U.S.C. 30125 except the:

(i) stop signal arm required under federal motor vehicle safety standard (FMVSS) no. 131; and

(ii) flashing lamps required under federal motor vehicle safety standard (FMVSS) no. 108;

(B) when owned by a school corporation and used to transport students, complies with the Federal Motor Carrier Safety Regulations as prescribed by the United States Department of Transportation Federal Motor Carrier Safety Administration as set forth in 49 CFR Chapter III Subchapter B; or

(C) when owned by a school corporation and used to transport students, is a motor coach type bus with a capacity of at least thirty (30) passengers and a gross vehicle weight rating greater than twenty-six thousand (26,000) pounds; and

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(3) that is used by a school corporation for transportation purposes appropriate under IC 20-27-9-5.

Sec. 11. "Student" means a child enrolled in a public or nonpublic school at any grade between kindergarten and grade 12.

Sec. 12. "Transportation contract" means a contract between a school corporation and a school bus driver in which the school bus driver promises to provide, in addition to driving services, a school bus, school bus chassis, or school bus body.

Chapter 3. State School Bus Committee

Sec. 1. (a) The state school bus committee is established. The committee has the following voting members:

(1) The state superintendent or the state superintendent's authorized representative, who serves as chairperson of the committee.

(2) The commissioner of the bureau of motor vehicles, or the commissioner's authorized representative.

(3) The administrator of the motor carrier services division of the department of state revenue.

(4) The director of the governor's council on impaired and dangerous driving.

(5) A school bus driver appointed by the state superintendent upon the recommendation of the Indiana State Association of School Bus Drivers, Inc.

(6) A superintendent of a school corporation appointed by the state superintendent upon the recommendation of the Indiana Association of Public School Superintendents.

(7) A member of the governing body of a school corporation appointed by the state superintendent upon the recommendation of the Indiana School Boards Association.

(8) A representative of the Indiana School for the Blind or the Indiana School for the Deaf appointed by the state superintendent.

(9) A member of the School Transportation Association of Indiana appointed by the state superintendent upon the recommendation of the School Transportation Association of Indiana.

(b) The state superintendent shall designate a secretary from the department who shall keep the official record of the meetings and of official transactions of the committee.

Sec. 2. (a) The following nonvoting members shall advise the voting members of the committee:

(1) A member of the Indiana Association of School Bus

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Distributors selected by the executive committee of that association.

(2) A member of the state police department selected by the state police superintendent.

(3) A member of the Indiana Transportation Association selected by the executive committee of that association.

(4) A member of the Indiana Township Association selected by the executive committee of that association.

(5) A school business official appointed by the state superintendent upon the recommendation of the Indiana Association of School Business Officials.

(b) An individual is not qualified to serve as a nonvoting member of the committee until proper credentials of the individual's appointment have been filed with the chairperson of the committee. Each nonvoting member shall be notified of all committee meetings and may attend each meeting and offer advice to the voting members of the committee.

Sec. 3. (a) The committee:

(1) shall hold one (1) regular meeting each month; and

(2) may hold special meetings as the chairperson considers necessary.

(b) Four (4) voting members of the committee constitute a quorum for the transaction of official business.

Sec. 4. (a) The committee has the following powers:

(1) The committee may adopt rules under IC 4-22-2 establishing standards for the construction of school buses, including minimum standards for the construction of school buses necessary to be issued a:

(A) valid certificate of inspection decal; and

(B) temporary certificate of inspection decal described in IC 20-27-7-10.

(2) The committee may adopt rules under IC 4-22-2 establishing standards for the equipment of school buses, including minimum standards for the equipment of school buses necessary to be issued a:

(A) valid certificate of inspection decal; and

(B) temporary certificate of inspection decal described in IC 20-27-7-10.

(3) The committee may adopt rules under IC 4-22-2 specifying the minimum standards that must be met to avoid the issuance of an out-of-service certificate of inspection decal.

(4) The committee may provide for the inspection of all school

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buses, new or old, that are offered for sale, lease, or contract.

(5) The committee may provide for the annual inspection of all school buses and the issuance of certificate of inspection decals.

(6) The committee may maintain an approved list of school buses that have passed inspection tests under subdivision (4) or (5).

(7) The committee may, subject to approval by the state board of accounts, prescribe standard forms for school bus contracts.

(8) The committee may hear appeals brought under IC 20-27-7-15.

(b) The committee shall adopt rules under IC 4-22-2 to set performance standards and measurements for determining the physical ability necessary for an individual to be a school bus driver.

(c) The certificate of inspection decals shall be issued to correspond with each school year. Each certificate of inspection decal expires on September 30 following the school year in which the certificate of inspection decal is effective. However, for buses that are described in IC 20-27-7-7, the certificate of inspection decal expires on a date that is not later than seven (7) months after the date of the first inspection for the particular school year.

Sec. 5. The committee shall adopt and enforce rules under IC 4-22-2 to require that each new school bus operated by or on behalf of a school corporation bear the number of the school district on the back of the school bus in black letters that are at least four (4) inches and not more than six (6) inches high.

Sec. 6. The committee shall adopt and enforce rules under IC 4-22-2 that allow the display of the United States flag on a school bus operated by or on behalf of a school corporation. The rules must provide that a flag displayed on a school bus may not be placed in a manner that:

(1) obstructs the school bus driver's vision through the windshield or any other window;

(2) impedes the school bus driver's operation of any equipment; or

(3) distracts the attention of other motorists from the school bus's warning lamps or stop signal arm when the school bus is loading or unloading students.

Sec. 7. (a) A school bus sold or delivered in Indiana must meet the standards of construction and equipment set forth in the rules

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of the committee.

(b) A school bus may not be originally licensed in Indiana until the school bus has been inspected by the state police department and found to comply with these standards.

Sec. 8. A person who violates this chapter commits a Class C misdemeanor.

Chapter 4. Purchase of School Buses

Sec. 1. A school corporation may purchase a school bus or special purpose bus to furnish transportation for students. The school corporation may purchase:

(1) both the body and the chassis of a school bus; or

(2) either the body or the chassis.

A purchase may be made for cash or under the terms of a security agreement.

Sec. 2. A security agreement under this chapter may not run for more than six (6) years. The agreement must be amortized in equal or approximately equal installments, payable on the first day of January and July each year. The first installment of principal and interest must be due and payable on the first day of July next following the collection of a tax that was levied after execution of the security agreement.

Sec. 3. Before a security agreement is executed, an appropriation for the amount of the purchase price must be made. The appropriation is made in the same manner as any other appropriation, except that the amount of the appropriation is not limited by the amount of funds available at the time of the execution or the amount of funds to be raised by a tax levy effective at the time of the execution. A petition to borrow, a notice to taxpayers, or other formality is not necessary, except:

(1) as specifically provided in this chapter; and

(2) as may be required by law for the issuance of general obligation bonds.

Sec. 4. If a school corporation requires funds to purchase a school bus for cash, the school corporation may borrow the necessary funds by issuing general obligation bonds. The bonds shall be issued in the same manner as other general obligation bonds. However, the bonds may not extend for more than six (6) years.

Sec. 5. (a) If a school corporation requires funds to purchase a school bus for cash, the school corporation may, instead of issuing general obligation bonds, negotiate for and borrow funds or purchase the school bus on an installment conditional sales

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contract or a promissory note secured by the school bus.

(b) To effect a loan, the school corporation shall execute a negotiable note or notes to the lender. The notes may not extend for more than six (6) years and are payable at the same times and in the same manner as provided for security agreements in section 2 of this chapter.

(c) Before a note described in this section is executed, an appropriation for the amount of the purchase price of the school bus and any incidental expenses connected with the purchase or the loan, must be made in the same manner as other appropriations are made, except that the amount of the appropriation is not limited by the amount of funds available at the time of the loan or purchase or by the amount of funds to be raised by a tax levy effective at the time of the loan.

(d) A petition to borrow, a notice to taxpayers, or other formality is not necessary to borrow funds under this section except as specifically provided in this chapter.

Sec. 6. (a) The purchase of a school bus shall be made in the same manner as provided by law for the purchase of school supplies by a school corporation.

(b) If a school bus is purchased under a security agreement, the required notice to bidders or solicitation of bids must set:

(1) the length of time the security agreement shall run; and

(2) the terms of the security agreement, including the security agreement price and interest rate.

(c) The low bid for a security agreement shall be determined by adding to each bidding price the net interest cost and then comparing the totals of the price and interest on each bid. Any difference between the cash and the security agreement prices may not be considered a charge under section 2 of this chapter. Instead, a separate statement of each price shall be made to enable the governing body to determine the advisability of purchasing a school bus under a security agreement.

Sec. 7. Notwithstanding any other provision of this chapter, a school corporation may negotiate and enter into loans, security agreements, or leases with the Indiana bond bank for the acquisition and financing of a school bus.

Sec. 8. This chapter does not affect the validity or legality of a negotiable instrument, conditional sales contract, purchase money mortgage contract, or promissory note executed and delivered before July 1, 1965, by a school corporation and given for the purchase of a school bus in accordance with Indiana law that was

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specifically repealed or repealed by implication by Acts 1965, c.259.

Chapter 5. Transportation Contracts

Sec. 1. This chapter does not apply to a nonpublic school or to a school bus driver contract executed for a nonpublic school.

Sec. 2. The governing body of a school corporation may provide transportation for students to and from school.

Sec. 3. If a school corporation provides transportation for students, the governing body of the school corporation is responsible for obtaining the necessary school buses and school bus drivers.

Sec. 4. (a) If a school corporation owns the school bus equipment in its entirety, the school corporation may employ a school bus driver on a school year basis in the same manner as other noninstructional employees are employed.

(b) If a school corporation employs a school bus driver under subsection (a), the employment contract between the school corporation and the school bus driver must be in writing.

(c) A school corporation that hires a school bus driver under this section shall purchase and carry public liability and property damage insurance covering the operation of school bus equipment in compliance with IC 9-25.

(d) Sections 5 through 32 of this chapter do not apply to the employment of a school bus driver hired under this section.

Sec. 5. (a) If a school bus driver is required to furnish the school bus body or the school bus chassis, or both, the governing body of the school corporation shall enter into a written transportation contract with the school bus driver.

(b) The transportation contract may include a provision allowing the school bus driver to be eligible for the life and health insurance benefits and other fringe benefits available to other school personnel.

Sec. 6. (a) When a fleet contractor is required to provide two (2) or more school buses and school bus drivers, the governing body of the school corporation shall enter into a written fleet contract with the fleet contractor.

(b) The fleet contract may include a provision allowing the school bus drivers to be eligible for the life and health insurance benefits and other fringe benefits available to other school personnel.

Sec. 7. Transportation or fleet contracts may either be:

(1) negotiated and let after receiving bids on the basis of

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specifications, as provided for in section 10 of this chapter; or

(2) negotiated on the basis of proposals by a bidder in which the bidder suggests additional or altered specifications.

A school corporation negotiating and executing a transportation contract shall comply with section 5 and sections 9 through 16 of this chapter. A school corporation negotiating and executing a fleet contract shall comply with sections 8 through 16 of this chapter.

Sec. 8. (a) The governing body of a school corporation shall adopt specifications for transportation and fleet contracts before entering into a transportation or fleet contract under section 5 or 6 of this chapter.

(b) The specifications shall be prepared and placed on file in the office of the governing body at least fifteen (15) days before the advertised date for beginning negotiations or receiving proposals or bids. However, if a school corporation is under the jurisdiction of a county superintendent of schools, the specifications shall be placed on file in the office of the county superintendent.

(c) All specifications are public records and are open, during regular office hours, for inspection by the public.

Sec. 9. The specifications for contracts adopted under section 8 of this chapter must include the following:

(1) A description of the route for which the contract is to be let.

(2) The approximate number of students to be transported on the route.

(3) The approximate number of miles to be traveled each school day on the route.

(4) The type of school bus equipment required to be furnished by the school bus driver or fleet contractor, including the seating capacity of the equipment required.

(5) The amount of public liability and property damage insurance coverage, if any, required to be furnished by the school bus driver or fleet contractor. If a school corporation owns either the chassis or the body of the school bus equipment, the specifications must recite the amount and kind of insurance coverage required to be furnished by a bidding school bus driver. In addition to the amount and kind of insurance set forth in the specifications, the governing body, the school bus driver, or the fleet contractor may, at their own election and at their own expense, carry additional insurance, including health, accident, and medical payments insurance.

(6) The amount of surety bond required to be furnished by the

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school bus driver.

(7) The length of the term for which the contract may be let. However, a township trustee may not enter into a school bus contract that has a term extending beyond the June 30 following the expiration date of the trustee's term of office.

(8) Any other relevant information necessary to advise a prospective bidder of the terms and conditions of the transportation contract or fleet contract.

Sec. 10. (a) The governing body shall give notice to the public at least ten (10) days before beginning negotiations or receiving proposals or bids for transportation or fleet contracts. Notice shall be given in the manner provided by IC 5-3-1. The notice must include the following information:

(1) That the governing body will negotiate, receive proposals, or receive bids for transportation contracts and fleet contracts on a specified date.

(2) That the governing body will execute contracts for the school bus routes of the school corporation.

(3) That the specifications for the routes and related information are on file in the office of the governing body or in the office of the county superintendent.

(b) A transportation or fleet contract may not be negotiated until notice has been given under this section.

Sec. 11. (a) Except as provided in subsection (b), if the duration of a transportation or fleet contract is for more than one (1) full school year, the contract must be let before the May 1 preceding the beginning of the first school year covered by the contract.

(b) A contract described in subsection (a) that is let after the May 1 preceding the beginning of the first school year covered by the contract is valid if the contract was let after May 1 due to an emergency situation.

Sec. 12. (a) If a transportation or fleet contract is let under sections 5 through 11 of this chapter, or let after renegotiation under section 16 of this chapter, the contract shall be awarded to the lowest responsible bidder, subject to the limitations in this section and in sections 14 and 15 of this chapter.

(b) The governing body may refuse to award the bid to the lowest responsible bidder if the amount of the bid is not satisfactory to the school corporation.

Sec. 13. Before a bidder may be awarded a transportation contract, the bidder must meet the following conditions:

(1) The bidder must meet the physical requirements

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prescribed in IC 20-27-8-1 as evidenced by a certificate signed by an Indiana physician who has examined the bidder.

(2) The bidder must hold a valid public passenger chauffeur's license or commercial driver's license issued by the bureau of motor vehicles.

Sec. 14. A governing body may reject any or all bids. If a bid is not received for a specified route, the governing body may either readvertise for bids or negotiate a contract for the route without further advertising.

Sec. 15. The governing body may alter a school bus route at any time. If the altered route is longer than the route in the original contract, the school bus driver or fleet contractor shall be paid additional compensation for each additional mile or fraction of a mile. The additional compensation shall be based on the average rate per mile in the original contract.

Sec. 16. The governing body may require the school bus driver or fleet contractor to furnish equipment with greater seating capacity at any time. When a school bus driver or fleet contractor is required to furnish different equipment during the term of the contract, the contracting parties may mutually agree to the cancellation of the existing contract and renegotiate a new contract for the balance of the term of the original contract. Action taken by a governing body under section 15 of this chapter does not preclude simultaneous action under this section.

Sec. 17. Notwithstanding any other provision in this chapter, the governing body may, with the consent of the other party or parties to the contract, amend an existing transportation or fleet contract to make any necessary adjustments caused by a fluctuation in the cost of fuel that occurs during the term of the contract.

Sec. 18. If highway or road conditions require a school bus driver to drive a greater distance than provided by the contract, additional compensation shall be paid to the school bus driver or fleet contractor. The additional compensation shall be computed as if the governing body had lengthened the route under section 15 of this chapter.

Sec. 19. A transportation or fleet contract entered into under this chapter may not be sold or assigned except by written agreement of both parties to the original contract and by the assignee or purchaser of the contract.

Sec. 20. After notice to the governing body or its authorized agent, a school bus driver may provide a substitute driver for any of the following reasons:

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(1) Illness of the school bus driver.

(2) Illness or death of a member of the school bus driver's family.

(3) Compulsory absence of a school bus driver because of jury duty.

(4) Performance of services and duties related to the Indiana State Association of School Bus Drivers, Inc.

(5) Performance of services and duties required by service in the general assembly.

(6) Attendance at meetings of the committee.

(7) Management by a school bus driver of the school bus driver's personal business affairs. However, a school bus driver may not be absent for management of personal business affairs for more than ten (10) days in any one (1) school year without the approval of the governing body.

Sec. 21. A substitute school bus driver may not operate a school bus unless the substitute school bus driver meets the standards required by IC 20-27-8-1 and has been approved by the governing body or its authorized agent.

Sec. 22. (a) A school bus driver's transportation contract may be terminated for:

(1) incompetency;

(2) physical disability;

(3) negligence; or

(4) failure to faithfully perform the school bus driver's duties under the contract;

only after the school bus driver has received notice and a hearing.

(b) Notice under subsection (a) must:

(1) be in writing; and

(2) allow a reasonable time before the hearing.

(c) The school bus driver may appear at a hearing under subsection (a) either in person or by counsel.

Sec. 23. A school bus driver may not consume an alcoholic beverage during school hours or while operating a school bus. A transportation contract may be terminated without hearing upon presentation of reliable evidence that a school bus driver has consumed an alcoholic beverage:

(1) during school hours;

(2) while operating a school bus; or

(3) while performing the school bus driver's duties.

Sec. 24. When a physical examination reveals that a school bus driver is physically unfit to perform the transportation contract,

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the school bus driver shall:

(1) furnish a substitute school bus driver who is qualified under section 21 of this chapter; or

(2) assign the school bus driver's transportation contract, if the governing body approves, to a person qualified under this chapter.

Sec. 25. (a) If a school bus driver is found physically unfit and fails to perform the duty required by section 24 of this chapter, the governing body may terminate the school bus driver's contract after the school bus driver has been given notice and an opportunity for a hearing.

(b) Notice under subsection (a) must:

(1) be in writing; and

(2) allow a reasonable time before the hearing.

(c) The school bus driver may appear at a hearing under subsection (a) either in person or by counsel.

Sec. 26. A fleet contract entered into under this chapter must provide the following:

(1) The fleet contractor is responsible for the employment, physical condition, and conduct of every school bus driver employed by the fleet contractor.

(2) The fleet contractor shall submit to the governing body a list of the names, addresses, telephone numbers, and route assignments of all regular and substitute school bus drivers employed by the fleet contractor.

(3) All school bus drivers employed by the fleet contractor must meet the physical, moral, and license standards prescribed in IC 20-27-8.

(4) School bus drivers employed by a fleet contractor shall attend the annual safety meeting for school bus drivers sponsored by the committee and the state police department in accordance with IC 20-27-8-9.

(5) Failure to employ school bus drivers who meet and maintain the physical, moral, and license standards of IC 20-27-8, or failure to compel attendance of a school bus driver at the annual safety meeting, is a breach of contract and may result in termination of the fleet contract and in forfeiture of the surety bond.

Sec. 27. If a transportation or fleet contract is canceled by a governing body under this chapter, the governing body may purchase the school bus equipment owned by the school bus driver or fleet contractor and used under the transportation contract. The

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purchase price is the fair market value of the equipment as determined by agreement of the governing body and the school bus driver or fleet contractor.

Sec. 28. A school bus driver or fleet contractor operating a transportation or fleet contract shall furnish a surety bond conditioned on faithful performance of the contract. The governing body shall specify the amount of bond required.

Sec. 29. A governing body may enter into a contract for student transportation with a regular route common carrier that operates under the jurisdiction of the department of state revenue.

Sec. 30. Each common carrier contract made under section 29 of this chapter must provide the following:

(1) The common carrier is solely responsible for the employment, physical condition, and conduct of every school bus driver employed by the carrier.

(2) The carrier must submit a certificate to the governing body showing that any school bus driver used in performing the contract meets the physical standards required by IC 20-27-8-1(7).

Sec. 31. When a school bus driver is employed by a common carrier to assist in performing a common carrier contract made under section 29 of this chapter, the school bus driver is exempt from mandatory physical examinations required under this article, except to the extent that examination may be necessary for a common carrier to comply with section 30(2) of this chapter.

Sec. 32. A bus operated under a common carrier contract is not required to be constructed, equipped, or painted as specified under this article or the rules of the committee unless the bus:

(1) is operated exclusively for the transportation of students to and from school; or

(2) must be operated more than three (3) miles outside the corporation limit of a city or town in order to perform the contract.

Sec. 33. A person who violates this chapter commits a Class C misdemeanor.

Chapter 6. Parents' Supplemental Transportation Contracts

Sec. 1. This chapter does not apply to a nonpublic school or to a nonpublic school bus driver contract executed for a nonpublic school.

Sec. 2. Parents may provide bus transportation for students enrolled in a public school who are not provided transportation by the school corporation.

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Sec. 3. (a) The parents of public school students not provided bus transportation by the school corporation may contract jointly with a school bus driver to provide transportation under a parents' supplemental transportation contract.

(b) A parents' supplemental transportation contract is subject to the approval of the governing body of the school corporation where the students transported under the contract reside, and a school bus operated under the contract is under the supervision and direction of the governing body.

Sec. 4. A parents' supplemental transportation contract must include the following:

(1) The type of school bus equipment to be furnished by the school bus driver, including a provision that the contract incorporate by reference any equipment requirements prescribed by the committee.

(2) Incorporation by reference of the safety, training, and inspection requirements of the committee and the state.

(3) The amount of liability and property damage insurance required to be furnished by the school bus driver. The amount of insurance must be commensurate with insurance furnished by a school bus driver operating under a transportation contract with a school corporation.

(4) Any other relevant information necessary to advise the parties of the terms and conditions of the contract.

Sec. 5. Before a school bus driver may enter into a parents' supplemental transportation contract, the school bus driver must meet the following prerequisites:

(1) The school bus driver must meet all physical requirements required of school bus drivers by the committee, including the requirements under IC 20-27-8-1.

(2) The school bus driver must obtain the physical fitness certificate required of all school bus drivers by IC 20-27-8-4.

(3) The school bus driver must have a valid public passenger chauffeur's license issued by the bureau of motor vehicles.

(4) The school bus driver must meet any additional requirements required by the contracting parents.

Sec. 6. A substitute school bus driver may not operate a school bus unless the substitute school bus driver meets the standards required by IC 20-27-8-1 or any other committee requirements for substitute school bus drivers.

Sec. 7. (a) Except as provided in subsections (b) and (d), a school bus operating under a parents' supplemental transportation

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contract may only be used for the following purposes:

(1) Transportation of eligible students to and from school.

(2) Transportation of eligible students and necessary adult chaperones to and from an activity that is sponsored, controlled, supervised, or participated in by the governing body of the school corporation.

(3) Transportation of students to and from a:

(A) youth baseball activity;

(B) 4-H club activity;

(C) junior achievement activity;

(D) Boy Scout activity;

(E) Girl Scout activity;

(F) Campfire activity; or

(G) recreational activity approved or sponsored by a political subdivision.

(b) Except as provided in subsection (c), the following conditions apply to a school bus operating under a parents' supplemental transportation contract that is used for a purpose described in subsection (a):

(1) Students may not be accompanied by more than four (4) adult sponsors or chaperones per school bus.

(2) Transportation must originate from a point within the geographical limits of the school district served by the affected school bus driver.

(3) The group to be transported shall be residents of the affected school district.

(4) Transportation may not exceed one hundred (100) highway miles from point of origin.

(c) Subsection (b) does not apply if transportation can be furnished by a common carrier of passengers that operates under the jurisdiction of the department of state revenue. If transportation is furnished by a common carrier of passengers that operates under the jurisdiction of the department of state revenue, IC 20-27-9-3(b) applies.

(d) A school bus operating under a parents' supplemental transportation contract may be used for the following purposes:

(1) Travel to and from a garage or repair area for maintenance or repair.

(2) Transportation requested by a governmental authority during a local, state, or national emergency.

(3) Transportation of an agricultural worker engaged in cultivating, producing, or harvesting crops under

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IC 20-27-9-10.

(4) Travel to a school bus driver's residence or parking facility following an authorized use described in this section.

(5) Transportation of a senior citizen under IC 20-27-9-2.

Sec. 8. A person who violates this chapter commits a Class C misdemeanor.

Chapter 7. School Bus Inspection and Registration

Sec. 1. The state police department shall annually inspect all special purpose buses and school buses, including those operated by a nonpublic school to transport students. The inspection of a school bus must determine whether the school bus complies with the safety requirements prescribed for school bus construction and equipment in the rules of the committee.

Sec. 2. The owner of a school bus or special purpose bus shall present the school bus or special purpose bus for the inspection required under section 1 of this chapter at the date, time, and place designated by the state police department.

Sec. 3. If the inspection required under section 1 of this chapter reveals that a school bus meets all safety requirements, the inspecting officer shall issue to the owner of the school bus a certificate that the school bus has been inspected and that it complies with the safety requirements. Except as provided in sections 5 through 7 of this chapter, a certificate of inspection issued under this section is valid until September 30 of the school year following the school year for which the certificate is issued.

Sec. 4. A school bus may not be used to transport passengers unless a valid certificate of inspection issued under section 3 of this chapter is displayed as viewed from the outside on the lower left corner of the windshield of the school bus. However, if the left corner position obstructs the school bus driver's view, the inspection sticker may be positioned on the bottom of the windshield so as to minimize the obstruction to the school bus driver's view.

Sec. 5. A school bus that is sold or has the ownership transferred to a new owner must be presented for an inspection under section 2 of this chapter before the school bus may be used to transport passengers. If the school bus meets the requirements specified under section 3 of this chapter, the state police department shall issue a new certificate of inspection for the school bus. A certificate of inspection issued under this section is valid until September 30 of the school year following the school year for which the certificate is issued.

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Sec. 6. In addition to the inspection required under section 1 of this chapter, a school bus that was manufactured at least twelve (12) years before the year for which a certificate of inspection is being sought must be presented for inspection not less than five (5) months nor more than seven (7) months after the inspection required under section 1 of this chapter is completed. If the school bus meets the requirements specified in section 3 of this chapter, the state police department shall issue a new certificate of inspection for the school bus. A certificate of inspection issued for a school bus described in this section is valid for seven (7) months after the date the certificate is issued.

Sec. 7. If a school bus has received damage in an accident that has put the school bus out of service because of passenger safety concerns, the school bus must be presented for an inspection under section 2 of this chapter before the school bus may be used to transport passengers. If the school bus meets the requirements specified in section 3 of this chapter, the state police department shall issue a new certificate of inspection for the school bus. A certificate of inspection issued under this section is valid until September 30 of the school year following the school year for which the certificate is issued.

Sec. 8. The inspection of a special purpose bus shall consist of an inspection to determine the existence and condition of the vehicle's:

(1) brakes;

(2) lights (headlamps, tail lamps, brake lights, clearance lights, and turn signals);

(3) steering and suspension;

(4) exhaust systems;

(5) general body condition; and

(6) tires.

Sec. 9. A school bus or special purpose bus must be maintained to meet the minimum standards set forth by the committee when transporting passengers.

Sec. 10. If the inspection of a special purpose bus or a school bus performed under this chapter reveals any material defect that renders the school bus unsafe and in noncompliance with any safety requirements established by the committee or with the safety requirements of this chapter, the inspecting officer shall issue a temporary certificate of inspection for the special purpose bus or school bus. The following apply to a temporary certificate of inspection issued under this section:

(1) The certificate shall be displayed as viewed from the

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outside in the lower left corner of the windshield of the special purpose bus or school bus. However, if the left corner position obstructs the driver's view, the temporary certificate of inspection may be positioned on the bottom of the windshield so as to minimize the obstruction to the driver's view.

(2) The certificate is valid for thirty (30) days.

Sec. 11. Upon being issued a temporary certificate of inspection under section 10 of this chapter, the owner of a special purpose bus or school bus shall have the special purpose bus or school bus repaired to meet the minimum standards under this chapter. After having the special purpose bus or school bus repaired to meet the minimum standards under this chapter, the owner of the special purpose bus or school bus shall present the special purpose bus or school bus for an inspection under section 2 of this chapter.

Sec. 12. If after being repaired under section 11 of this chapter a special purpose bus or school bus meets the minimum standards under this chapter, the state police department shall issue a certificate of inspection under section 3 of this chapter.

Sec. 13. If:

(1) after being repaired under section 11 of this chapter a special purpose bus or school bus does not meet the minimum standards under this chapter; or

(2) a special purpose bus or school bus is not repaired to meet the minimum standards under this chapter;

the state police department shall issue an out-of-service order and certificate for the special purpose bus or school bus. Each out-of-service order and certificate shall be served personally on the driver of the special purpose bus or school bus and a copy shall be forwarded to the governing body of the school corporation that controls the operation of the special purpose bus or school bus. After an out-of-service order and certificate have been issued, the affected special purpose bus or school bus may not be used to transport passengers until all defects have been corrected.

Sec. 14. An out-of-service certificate issued under section 13 of this chapter shall be displayed as viewed from the outside in the lower left corner of the windshield of the special purpose bus or school bus for which the certificate is issued. However, if the left corner position obstructs the driver's view, the out-of-service certificate may be positioned on the bottom of the windshield so as to minimize the obstruction to the driver's view. The out-of-service certificate may be removed only by the state police department following an inspection that verifies that the special purpose bus or

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school bus meets the minimum standards under this chapter.

Sec. 15. (a) An out-of-service order may be appealed to the committee not more than five (5) days after service of the order.

(b) Not more than ten (10) days after an appeal, the committee shall review the order and decide the matter.

(c) The committee may:

(1) uphold;

(2) modify; or

(3) set aside;

the order.

(d) While an out-of-service order is appealed, the order remains in full force until set aside or modified by the committee.

Sec. 16. When the owner of a school bus applies for a registration plate, the owner shall submit with the application a certificate of inspection and safety issued under this chapter. If the certificate does not accompany an owner's application, the bureau of motor vehicles may not issue a registration plate.

Sec. 17. A school bus driver shall be charged the same annual registration fee for a school bus that is operated under:

(1) a transportation contract with a school corporation; or

(2) a parents' supplemental transportation contract.

Sec. 18. (a) A school corporation that owns a school bus or a special purpose bus and uses the school bus or special purpose bus to transport students is exempt from the payment of the annual registration fee for the school bus or special purpose bus. On application by a school corporation, the commissioner of motor vehicles shall furnish registration number plates for exempted vehicles without charge. Application for registration of exempted vehicles shall be:

(1) made whenever a newly acquired school bus or special purpose bus requires a registration number plate;

(2) made whenever a registration number plate is transferred from one (1) school bus or special purpose bus owned by the school corporation to another school bus or special purpose bus owned by the school corporation;

(3) made in the name of the school corporation that owns the school bus or special purpose bus to be registered; and

(4) signed by the proper official of the school corporation.

(b) An owner other than a school corporation that owns a school bus or a special purpose bus and uses the school bus or special purpose bus to transport students is not exempt from annual registration or payment of the annual registration fee for school

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buses.

Sec. 19. A person who violates this chapter commits a Class C misdemeanor.

Chapter 8. School Bus Drivers

Sec. 1. (a) An individual may not drive a school bus for the transportation of students or be employed as a school bus monitor unless the individual satisfies the following requirements:

(1) Is of good moral character.

(2) Does not use intoxicating liquor during school hours.

(3) Does not use intoxicating liquor to excess at any time.

(4) Is not addicted to any narcotic drug.

(5) Is at least:

(A) twenty-one (21) years of age for driving a school bus; or

(B) eighteen (18) years of age for employment as a school bus monitor.

(6) In the case of a school bus driver, holds a valid public passenger chauffeur's license or commercial driver's license issued by the state or any other state.

(7) Possesses the following required physical characteristics:

(A) Sufficient physical ability to be a school bus driver, as determined by the committee.

(B) The full normal use of both hands, both arms, both feet, both legs, both eyes, and both ears.

(C) Freedom from any communicable disease that:

(i) may be transmitted through airborne or droplet means; or

(ii) requires isolation of the infected person under 410 IAC 1-2.3.

(D) Freedom from any mental, nervous, organic, or functional disease that might impair the person's ability to properly operate a school bus.

(E) Visual acuity, with or without glasses, of at least 20/40 in each eye and a field of vision with one hundred fifty (150) degree minimum and with depth perception of at least eighty percent (80%).

(b) This subsection applies to a school bus monitor. Notwithstanding subsection (a)(5)(B), a school corporation or school bus driver may not employ an individual who is less than twenty-one (21) years of age as a school bus monitor unless the school corporation or school bus driver does not receive a sufficient number of qualified applicants for employment as a

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school bus monitor who are at least twenty-one (21) years of age. A school corporation or school bus driver shall maintain a record of applicants, their ages, and their qualifications to show compliance with this subsection.

Sec. 2. (a) Before a school corporation enters into a:

(1) contract with a school bus driver; or

(2) fleet contract under IC 20-27-5;

the school corporation shall obtain, at no fee from the bureau of motor vehicles, a copy of the school bus driver's driving summary for the last seven (7) years as maintained by the bureau of motor vehicles or the equivalent agency in another state.

(b) To obtain a copy of the school bus driver's driving summary as required under subsection (a), the school corporation shall provide the bureau of motor vehicles with the following information:

(1) The school bus driver's name.

(2) The school bus driver's Social Security number.

(3) Any other information required by the bureau of motor vehicles.

Sec. 3. (a) As used in this section, "controlled substance" has the meaning set forth in IC 35-48-1.

(b) An individual who is a school bus driver and who knowingly and intentionally:

(1) consumes a controlled substance or an intoxicating liquor within six (6) hours before:

(A) going on duty; or

(B) operating a school bus; or

(2) consumes or possesses a controlled substance or an intoxicating liquor while on duty or while operating a school bus;

commits a Class A misdemeanor.

(c) It is a defense in a prosecution under this section if a controlled substance is consumed or possessed in accordance with a medical prescription issued by an Indiana physician to the individual who consumes or possesses the controlled substance.

Sec. 4. An individual who is or intends to become a school bus driver must obtain a physical examination certificate stating that the individual possesses the physical characteristics required by section 1(a)(7) of this chapter. The certificate shall be made by an Indiana physician after the physician has conducted a physical examination of the school bus driver or prospective school bus driver. The physician shall be chosen by the school bus driver or

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prospective driver, who shall pay for the examination.

Sec. 5. (a) When an individual holds a contract to serve or is serving as a school bus driver at the time the individual obtains a public passenger chauffeur's license, the individual shall undergo the physical examination required by section 4 of this chapter at about the same time as the individual acquires the chauffeur's license. The certificate of examination and qualification shall be filed not more than seven (7) days after the examination.

(b) When an individual executes a contract to drive a school bus or begins serving as a school bus driver after obtaining a public passenger chauffeur's license, the individual may not drive a school bus unless:

(1) the individual files a certificate of a physical examination made at the time the individual last secured a public passenger chauffeur's license; or

(2) if a certificate was not made at the time of the prior examination or is unobtainable, the individual undergoes a new physical examination and files a certificate from that examination.

Sec. 6. A governing body may, at any time, require a school bus driver operating a school bus for the school corporation to submit to a physical examination by an Indiana physician selected by the corporation. The school corporation shall pay the cost of an examination under this section.

Sec. 7. When a school bus driver operates under a transportation or fleet contract, the compensation for the school bus driver or fleet contractor is determined and fixed by the contract on a per diem basis for the number of days on which:

(1) the calendar of the school corporation provides that students are to attend school;

(2) the driver is required by the school corporation to operate the bus on school related activities; and

(3) inservice training is required by statute or authorized by the school corporation, including the safety meeting workshops required under section 9 of this chapter.

Sec. 8. The compensation of a school bus driver who is employed by a school corporation on a school year basis under an employment contract shall be fixed in the employment contract.

Sec. 9. A school bus driver, including a school bus driver who drives a bus for a nonpublic school, shall attend an annual safety meeting or workshop. A safety meeting or workshop may not exceed two (2) days in any one (1) calendar year.

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Sec. 10. (a) An individual who does not have at least thirty (30) days experience in driving a school bus during the three (3) year period immediately preceding the effective date of the individual's assignment as a school bus driver for a public or nonpublic school that is accredited by the state board within Indiana shall satisfactorily complete a preservice school bus driver safety education training course. The course may not exceed forty (40) hours.

(b) Course attendance must be completed:

(1) before the assignment of an individual required to take the course as a school bus driver; or

(2) if immediate assignment is necessary, upon the completion of the next scheduled course following the assignment.

(c) The state superintendent shall provide instructors, adequate meeting facilities, registration forms, a uniform course of instruction, and all other necessary materials for the preservice school bus driver safety education meetings.

Sec. 11. The committee shall fix the date, time, and place for the annual safety meetings or workshops.

Sec. 12. The committee and the superintendent of the state police department shall provide instructors, adequate meeting facilities, and all other necessary facilities for the annual school bus driver safety meetings or workshops. The committee and the state police superintendent shall also prepare and furnish a uniform course of instruction to be used in the meetings or workshops.

Sec. 13. (a) The committee shall provide a uniform system for the registration of school bus drivers who are required to attend the annual safety meetings or workshops. This registration system must do the following:

(1) Accurately reflect the attendance of each school bus driver at each session of the annual meeting or workshop.

(2) Provide a registration form indicating the school bus driver's name and legal address, and the name of the school the school bus driver represents.

(b) The state superintendent shall supervise registration of school bus drivers at the annual safety meetings or workshops.

(c) The principal of each school shall prepare and collect the attendance records of school bus drivers who attend any safety meeting or workshops and shall make a written report of the attendance records to the state superintendent not more than ten (10) days after the meeting or workshop.

(d) Records of attendance shall be filed in the office of the state

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superintendent and maintained there as public records for at least three (3) years.

Sec. 14. If a school bus driver for a school corporation fails or refuses to attend a school bus driver meeting or workshop, the governing body of the school corporation shall deduct one (1) day's compensation for each day of absence.

Sec. 15. (a) The driver of a school bus for a public or nonpublic school that is accredited by the state board shall have in the school bus driver's possession, while transporting passengers, a certificate that states the school bus driver has:

(1) enrolled in or completed a course in school bus driver safety education as required under sections 9 and 10 of this chapter; or

(2) operated a school bus at least thirty (30) days during the three (3) year period preceding the effective date of the school bus driver's employment.

(b) A certificate of enrollment in or completion of the course or courses in school bus driver safety education shall be prescribed by the committee and completed by the designated representative of the committee.

(c) A driver of a school bus who fails to complete the school bus driver safety education course or courses, as required, shall be reported by the person who conducted the course to the committee and to the school corporation where the school bus driver is employed or under contract.

(d) A driver of a school bus who fails to complete the school bus driver safety education course or courses, as required, may not drive a school bus within Indiana while transporting a student.

Sec. 16. A person who violates this chapter commits a Class C misdemeanor.

Chapter 9. Use of School Buses

Sec. 1. (a) This section does not apply to the use of school buses owned and operated by:

(1) a nonpublic school; or

(2) a nonprofit agency with primary responsibility for the habilitation or rehabilitation of developmentally or physically disabled individuals.

(b) Except as provided under sections 2 through 15 of this chapter, a person may not operate or permit the operation of a school bus on a highway in Indiana for a private purpose or a purpose other than transportation of eligible students to and from school.

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Sec. 2. The governing body of a school corporation may allow, by written authorization, the use of a school bus for the transportation of adults at least sixty-five (65) years of age.

Sec. 3. (a) The governing body of a school corporation may allow, by written authorization, the use of a school bus for transportation of eligible students and necessary adult chaperones or of adults to and from an activity that is sponsored, controlled, supervised, or participated in by the governing body. The number and qualifications of adult chaperones under this section may be determined by the governing body.

(b) The governing body may allow, by written authorization, the use of a school bus for transportation of students and necessary adult chaperones to and from an educational or recreational activity approved or sponsored by a political subdivision if:

(1) the transportation originates from a place within the geographical limits of the school corporation served by the affected bus;

(2) the persons transported are Indiana residents; and

(3) the trip does not involve more than two hundred (200) miles of travel out of state.

Sec. 4. (a) The governing body of a school corporation may, by written authorization, allow the use of a school bus for transportation:

(1) of preschool children who attend preschool offered by the school corporation or under a contract entered into by the school corporation to and from the preschool facility site; and

(2) subject to the geographic and residency requirements set forth in section 3(b) of this chapter, of preschool children and necessary adult chaperones to and from an educational or recreational activity approved or sponsored by the governing body for the preschool children.

(b) The number and qualifications of adult chaperones under subsection (a)(2) may be determined by the governing body.

Sec. 5. (a) A special purpose bus may be used:

(1) by a school corporation to provide regular transportation of a student between one (1) school and another school but not between the student's residence and the school;

(2) to transport students and their supervisors, including coaches, managers, and sponsors to athletic or other extracurricular school activities and field trips; and

(3) by a school corporation to provide transportation between an individual's residence and the school for an individual

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enrolled in a special program for the habilitation or rehabilitation of developmentally disabled or physically disabled persons.

(b) The mileage limitation of section 3 of this chapter does not apply to special purpose buses.

(c) The operator of a special purpose bus must be at least twenty-one (21) years of age, be authorized by the school corporation, and meet the following requirements:

(1) If the special purpose bus has a capacity of less than sixteen (16) passengers, the operator must hold a valid operator's, chauffeur's, or public passenger chauffeur's license.

(2) If the special purpose bus has a capacity of more than fifteen (15) passengers, the operator must meet the requirements for a school bus driver set out in IC 20-27-8.

(d) A special purpose bus is not required to be constructed, equipped, or painted as specified for school buses under this article or by the rules of the committee.

(e) An owner or operator of a special purpose bus, other than a special purpose bus owned or operated by a school corporation or a nonpublic school, is subject to IC 8-2.1.

Sec. 6. (a) In addition to the exemptions granted in this chapter and notwithstanding section 16 of this chapter, a school corporation may allow a school bus operated under a fleet or transportation contract and not owned in whole or in part by a public agency to be used for the transportation of a group or an organization for any distance, if that group or organization agrees to maintain the condition of the school bus and to maintain order on the school bus while in use.

(b) When authorizing transportation described in subsection (a), the school corporation shall require the owner of the school bus to:

(1) obtain written authorization of the superintendent of the contracting school corporation;

(2) clearly identify the school bus with the name of the sponsoring group; and

(3) provide proof to the superintendent and the sponsoring group of financial responsibility, as required by IC 9-25 and IC 20-27-5-9 for the transportation.

(c) The governing body of a school corporation may allow, by written authorization, the use of a school bus owned in whole or in part by the school corporation for the transportation needs of a fair or festival operated by or affiliated with a nonprofit

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organization exempt from federal taxation under Section 501(c)(3) through 501(c)(7) of the Internal Revenue Code.

Sec. 7. (a) As used in this section, "developmentally disabled person" means a person who has a developmental disability (as defined in IC 12-7-2-61).

(b) A special education cooperative operating under IC 36-1-7, IC 20-35-5, or IC 20-26-10 or a school corporation may enter into an agreement with a state supported agency serving developmentally disabled persons in which a school bus or special purpose bus used by the special education cooperative or school corporation may be used to transport developmentally disabled persons who:

(1) are at least two (2) years of age; and

(2) live within the boundaries of the special education cooperative or school corporation;

to and from programs for the developmentally disabled.

(c) An increased cost of transportation for developmentally disabled persons not reimbursed under IC 21-3-3.1 shall be borne by the persons transported or the state supported agency serving the developmentally disabled. However, a developmentally disabled person may not be required to pay for transportation provided under this section if the required payment is contrary to law.

Sec. 8. The governing body of a school corporation may use a school bus to transport school employees to and from a meeting that is authorized or required for the employees either locally or by the state. This includes a meeting conducted by the school corporation.

Sec. 9. The governing body of a school corporation may allow the use of a school bus during a local, state, or national emergency when requested by any governmental authority.

Sec. 10. (a) The governing body of a school corporation may allow the use of a school bus for the transportation of agricultural workers engaged in cultivating, producing, or harvesting crops.

(b) A school bus used under this section may transport only the school bus driver, a supervisor or foreman, students, and enrolled college or university students.

(c) When a school bus is used to transport agricultural workers, a sign shall be displayed on the front and on the rear of the school bus. The sign must carry the words "Agricultural Workers" in letters at least four (4) inches in height. These signs may be removed or covered whenever the school bus is not being used to

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transport agricultural workers.

(d) Notwithstanding any other provision of this article or IC 9, if a school bus:

(1) is:

(A) registered as a school bus; and

(B) in compliance with all safety and equipment related requirements for a school bus;

in a state other than Indiana;

(2) while in Indiana is used solely to transport agricultural workers employed to detassel corn; and

(3) is operated in accordance with subsection (e);

the out-of-state school bus may be operated for not more than sixty (60) days in a calendar year in Indiana without meeting the inspection and safety requirements of this article.

(e) Before operating a school bus described in subsection (d), an individual must:

(1) be licensed to operate a school bus in:

(A) the state in which the school bus is registered; or

(B) Indiana; and

(2) annually give written notice to the committee at least ten (10) days before the school bus is operated in Indiana of the:

(A) jurisdiction in which the school bus has been registered and inspected for safety and equipment related requirements;

(B) approximate dates that the school bus will be operated in Indiana; and

(C) license plate number of the school bus.

Sec. 11. (a) As used in this section, "day care center" means an institution operated primarily for the purpose of providing:

(1) care;

(2) maintenance; or

(3) supervision and instruction;

to children who are less than six (6) years of age and are separated from their parent for more than four (4) hours but less than twenty-four (24) hours a day for at least ten (10) consecutive workdays.

(b) A:

(1) day care center; or

(2) nonprofit agency with primary responsibility for the habilitation or rehabilitation of developmentally disabled or physically disabled persons;

may own, operate, lease, or contract for a school bus that meets the

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color, equipment, and other requirements of the committee.

(c) The school bus must be used only for the purpose of transporting:

(1) persons in the care of the day care center or agency; and

(2) supervisors of those persons;

to and from educational, social, recreational, or occupational functions.

(d) If an entity described in subsection (b) acquires:

(1) a school bus; or

(2) the use of a school bus;

authorized under subsection (b), each driver of the school bus authorized by the entity must comply with the requirements imposed upon persons transporting students under IC 20-27-8 in order to be certified by the department as a school bus driver.

Sec. 12. (a) As used in this section, "child care center" means a nonresidential building where at least one (1) child receives child care from a provider licensed under IC 12-17.2-4:

(1) while unattended by a parent;

(2) for regular compensation; and

(3) for more than four (4) hours but less than twenty-four (24) hours in each of ten (10) consecutive days per year, excluding intervening Saturdays, Sundays, and holidays.

(b) This subsection does not apply to a developmentally disabled or physically disabled person who is provided transportation by a school corporation by means of a special purpose bus as provided in section 5(a)(3) of this chapter. An individual or entity who transports children in the care of a:

(1) preschool operated by a school corporation;

(2) public elementary school; or

(3) public secondary school;

on a public highway (as defined in IC 9-25-2-4) within or outside Indiana shall transport the children only in a school bus. However, a special purpose bus may be used for transportation of the children to activities other than regular transportation between the residences of the children and the school.

(c) An individual or entity that transports children in the care of a child care center on a public highway (as defined in IC 9-25-2-4) within or outside Indiana in a vehicle designed and constructed for the accommodation of more than ten (10) passengers shall transport the children only in a school bus or special purpose bus.

(d) The operator of a:

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(1) school bus that transports children as required under subsection (b) or (c) must meet the requirements of IC 20-27-8; and

(2) special purpose bus that transports children as required under subsection (b) or (c) must meet the requirements of section 5(c) of this chapter.

(e) This section does not prohibit the use of a public transportation system for the transportation of children if the motor carriage used is designed to carry at least twenty (20) passengers.

(f) This section does not prohibit a:

(1) preschool operated by a school corporation;

(2) public elementary school;

(3) public secondary school; or

(4) child care center;

from contracting with a common carrier for incidental charter bus service for nonregular transportation if the carrier and the carrier's motor coach comply with the Federal Motor Carrier Safety Regulations as prescribed by the United States Department of Transportation Federal Highway Administration.

(g) Notwithstanding section 17 of this chapter, a person who violates this section commits a Class B infraction.

Sec. 13. The governing body of a school corporation may allow its school buses to travel to and from a garage or repair area for maintenance or repair.

Sec. 14. The governing body of a school corporation that authorizes the operation of a school bus under sections 1 through 13 of this chapter shall file proof of financial responsibility as required by IC 9-25.

Sec. 15. The governing body of a school corporation shall have sole control of and shall account for all funds received for the transportation of students and the transportation of other groups authorized by sections 1 through 14 of this chapter.

Sec. 16. Whenever a school bus is purchased for and is being used for any purpose except to transport students, the purchaser shall:

(1) remove the flasher lights;

(2) remove the stop arm; and

(3) paint the bus any color except the national standard school bus chrome yellow.

Sec. 17. Except as provided in this article, a person who violates this chapter commits a Class C misdemeanor.

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Chapter 10. School Bus Safety

Sec. 1. To promote safety in school bus operations, school corporations shall cooperate with the civil divisions of local and state government to provide necessary loading and unloading conveniences as an accessory to public streets and highways. The cost of providing these conveniences shall be paid by the civil divisions of government.

Sec. 2. When students are being transported on a school bus, the students are under the supervision, direction, and control of the school bus driver and are subject to disciplinary measures by the school bus driver and the governing body of the school corporation.

Sec. 3. A governing body may not require a school bus driver to transport students for whom a regular seat is not available in the school bus.

Sec. 4. A person who violates this chapter commits a Class C misdemeanor.

Chapter 11. Transportation Costs

Sec. 1. (a) If a student who attends a nonpublic school in a school corporation resides on or along the highway constituting the regular route of a public school bus, the governing body of the school corporation shall provide transportation for the nonpublic school student on the school bus.

(b) The transportation provided under this section must be from the home of the nonpublic school student or from a point on the regular route nearest or most easily accessible to the home of the nonpublic school student to and from the nonpublic school or to and from the point on the regular route that is nearest or most easily accessible to the nonpublic school.

Sec. 2. (a) Except as provided in subsection (b), a student who resides on state owned property and attends a public school away from the student's residence shall be furnished transportation in a public school bus to and from the student's residence and the public school the student attends. Expenses for the transportation shall be paid out of the state general fund, without further appropriation, on allowance by the state superintendent.

(b) This section does not apply to students who reside on property owned by Indiana University, Purdue University, Ball State University, or Indiana State University.

Sec. 3. (a) If a school corporation does not maintain or operate a high school and a high school student who resides in the school corporation is transferred to attend a high school in a contiguous

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school corporation, the governing bodies of the school corporations may enter into an agreement for the transportation of the student.

(b) The agreement under subsection (a) must specify that the transportation shall be provided by the receiving school corporation and that the costs of transportation shall be paid by the transferring school corporation out of the school corporation's special school funds. The costs of transportation shall be calculated from the per capita cost for each student transported and shall be mutually agreed upon by both governing bodies. Payment of transportation charges shall be made at the same time and in the same manner as payments of transfer tuition are made for transferred students.

Sec. 4. The governing body of a school corporation that transfers a student to another school corporation may contract with the receiving corporation for the provision of transportation costs for the transferred student.

SECTION 12. IC 20-28 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

ARTICLE 28. SCHOOL TEACHERS

Chapter 1. Definitions

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

Sec. 2. "Applicant" refers to an applicant for:

(1) a new license;

(2) a renewal license; or

(3) a substitute teacher certificate;

issued by the board.

Sec. 3. "Assistant superintendent" means an assistant to the superintendent of schools. The term includes a deputy superintendent or an associate superintendent.

Sec. 4. "Board" refers to the professional standards board established by IC 20-28-2-1.

Sec. 5. "Defense service" refers to the United States military service, the United States naval service, and the allied or auxiliary war service, including the Red Cross, Salvation Army, and other similar services connected with the armed forces of the United States.

Sec. 6. "Disposition" has the meaning set forth in IC 10-13-3-7.

Sec. 7. "License" refers to a document issued by the board that grants permission to serve as a particular kind of teacher. The term includes any certificate or permit issued by the board.

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Sec. 8. "Limited criminal history" has the meaning set forth in IC 10-13-3-11.

Sec. 9. "Local director" means an individual who is:

(1) licensed as a director of special education by the department; and

(2) employed as a director of special education by a managing body.

Sec. 10. "Managing body" refers to:

(1) the governing body;

(2) the board of managers (as defined in IC 20-35-5-1(a)(3)); or

(3) any other governing entity;

that has the responsibility for administering the school corporation's special education program or a special education cooperative organized under IC 20-35-5, IC 20-26-10, or IC 36-1-7.

Sec. 11. "School psychology" means the following:

(1) Administering, scoring, and interpreting educational, cognitive, career, vocational, behavioral, and affective tests and procedures that address a student's:

(A) education;

(B) developmental status;

(C) attention skills; and

(D) social, emotional, and behavioral functioning;

as they relate to the student's learning or training in the academic or vocational environment.

(2) Providing consultation, collaboration, and intervention services (not including psychotherapy) and providing referral to community resources to:

(A) students;

(B) parents of students;

(C) teachers;

(D) school administrators; and

(E) school staff;

concerning learning and performance in the educational process.

(3) Participating in or conducting research relating to a student's learning and performance in the educational process:

(A) regarding the educational, developmental, career, vocational, or attention functioning of the student; or

(B) screening social, affective, and behavioral functioning of the student.

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(4) Providing inservice or continuing education services relating to learning and performance in the educational process to schools, parents, or others.

(5) Supervising school psychology services.

The term does not include the diagnosis or treatment of mental and nervous disorders, except for conditions and interventions provided for in state and federal mandates affecting special education and vocational evaluations as the evaluations relate to the assessment of handicapping conditions and special education decisions or as the evaluations pertain to the placement of children and developmentally disabled adults.

Sec. 12. "Type of license" refers to the various types and grades of licenses issued by the board.

Chapter 2. Professional Standards Board

Sec. 1. (a) The professional standards board is established to govern teacher training and licensing programs.

(b) Notwithstanding any other law, the board and the board's staff have the sole authority and responsibility for making recommendations concerning and governing teacher training and teacher licensing matters.

Sec. 2. (a) The board consists of nineteen (19) voting members.

(b) Except as otherwise provided, each voting member of the board described in this subsection must be actively employed by a school corporation. Eighteen (18) members shall be appointed by the governor as follows:

(1) One (1) member must hold a license and be actively employed in a public school as an Indiana school superintendent.

(2) Two (2) members must:

(A) hold licenses as public school principals;

(B) be actively employed as public school principals; and

(C) be employed at schools having dissimilar grade level configurations.

(3) One (1) member must:

(A) hold a license as a special education director; and

(B) be actively employed as a special education director in:

(i) a school corporation; or

(ii) a public school special education cooperative.

(4) One (1) member must be a member of the governing body of a school corporation but is not required to be actively employed by a school corporation or to hold an Indiana teacher's license.

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(5) Three (3) members must meet the following conditions:

(A) Represent Indiana teacher training units within Indiana public and private institutions of higher education.

(B) Hold a teacher's license but not necessarily an Indiana teacher's license.

(C) Be actively employed by the respective teacher training units.

The members described in this subdivision are not required to be employed by a school corporation.

(6) Nine (9) members must be licensed and actively employed as Indiana public school teachers in the following categories:

(A) At least one (1) member must hold an Indiana standard early childhood education license.

(B) At least one (1) member must hold an Indiana teacher's license in elementary education.

(C) At least one (1) member must hold an Indiana teacher's license for middle/junior high school education.

(D) At least one (1) member must hold an Indiana teacher's license in high school education.

(7) One (1) member must be a member of the business community in Indiana but is not required to be actively employed by a school corporation or to hold an Indiana teacher's license.

(c) Each member described in subsection (b)(6) must be licensed and actively employed as a practicing teacher in at least one (1) of the following areas to be appointed:

(1) At least one (1) member must be licensed in special education.

(2) At least one (1) member must be licensed in vocational education.

(3) At least one (1) member must be employed and licensed in student services, which may include school librarians or psychometric evaluators.

(4) At least one (1) member must be licensed in social science education.

(5) At least one (1) member must be licensed in fine arts education.

(6) At least one (1) member must be licensed in English or language arts education.

(7) At least one (1) member must be licensed in mathematics education.

(8) At least one (1) member must be licensed in science

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education.

(d) At least one (1) member described in subsection (b) must be a parent of a student enrolled in a public preschool or public school within a school corporation in either kindergarten or any of grades 1 through 12.

(e) The state superintendent shall serve as an ex officio voting member of the board. The state superintendent may make recommendations to the governor as to the appointment of members on the board.

Sec. 3. The term of office for the appointed members of the board is four (4) years.

Sec. 4. The chairperson of the board shall be elected by a majority of the members of the board from among the members of the board for a term of one (1) year. A member may be reelected to serve as a chairperson for subsequent terms.

Sec. 5. (a) Each member of the board who is not a state employee is not entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). The member is, however, entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

(b) Each member of the board who is a state employee is entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

Sec. 6. (a) In addition to the powers and duties set forth in IC 20-20-22 or this article, the board shall adopt rules under IC 4-22-2 to do the following:

(1) Set standards for teacher licensing and administer a professional licensing and certification process.

(2) Approve or disapprove teacher preparation programs.

(3) Set fees to be charged in connection with teacher licensing.

(4) Suspend, revoke, or reinstate teacher licenses.

(5) Enter into agreements with other states to acquire reciprocal approval of teacher preparation programs.

(6) Set standards for teacher licensing concerning new subjects of study.

(7) Evaluate work experience and military service concerning higher education and experience equivalency.

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(8) Perform any other action that:

(A) relates to the improvement of instruction in the public schools through teacher education and professional development through continuing education; and

(B) attracts qualified candidates for teacher training from among the high school graduates of Indiana.

(9) Set standards for endorsement of school psychologists as independent practice school psychologists under IC 20-28-12.

(b) Notwithstanding subsection (a)(1), an individual is entitled to one (1) year of occupational experience for purposes of obtaining an occupational specialist certificate under this article for each year the individual holds a license under IC 25-8-6.

Sec. 7. (a) The board may recommend to the general assembly for consideration measures relating to the board's powers and duties that improve the quality of teacher preparation or teacher licensing standards.

(b) The board shall submit to the general assembly before November 1 of each year a report detailing the findings and activities of the board and including any recommendations developed by the board. A report under this subsection must in an electronic format under IC 5-14-6.

Sec. 8. (a) The board may, subject to approval by the budget agency, do the following:

(1) Establish advisory committees the board determines necessary.

(2) Expend funds made available to the board according to policies established by the budget agency.

(b) The board shall comply with the requirements for submitting a budget request to the budget agency as set forth in IC 4-12-1.

Sec. 9. IC 4-21.5 applies to orders issued by the board.

Chapter 3. Teacher Education and Continuing Education

Sec. 1. The board shall:

(1) arrange a statewide system of professional instruction for teacher training;

(2) accredit and inspect teacher training schools and departments that comply with the rules of the board;

(3) recommend and approve courses for the training of particular kinds of teachers in accredited schools and departments; and

(4) specify the types of licenses for graduates of approved courses.

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Sec. 2. (a) An accredited school or department may use the word "accredited" in advertising approved courses and the types of teachers the school or department is accredited to prepare. An accredited school or department may enter into the student teaching agreements specified in IC 20-26-5.

(b) The board shall revoke the right to use the word "accredited" when an accredited school or department refuses to abide by the board's rules.

Sec. 3. (a) The board, in consultation with the department, shall develop guidelines for use by accredited teacher training institutions and departments in preparing individuals to teach in various environments.

(b) The guidelines developed under subsection (a) must include courses and methods that assist individuals in developing cultural competency (as defined in IC 20-31-2-5).

Sec. 4. A governing body may adjourn the governing body's schools for not more than three (3) days in a school year to allow teachers to participate in:

(1) a session concerning agricultural instruction conducted in the county;

(2) a meeting of a teachers' association; or

(3) a visitation of model schools under a governing body's direction.

A governing body shall pay a teacher the teacher's per diem salary for the teacher's participation.

Chapter 4. Transition to Teaching Program

Sec. 1. As used in this chapter, "program" refers to the transition to teaching program established by section 2 of this chapter.

Sec. 2. The transition to teaching program is established to accomplish the following:

(1) Facilitate the transition into the teaching profession of competent professionals in fields other than teaching.

(2) Allow competent professionals who do not hold a teaching license to earn and be issued a teaching license through participation in and satisfactory completion of the program.

Sec. 3. Subject to the requirements of this chapter, the board shall develop and administer the program. The board shall determine the details of the program that are not included in this chapter.

Sec. 4. Each accredited teacher training school and department in Indiana shall establish a course of study that constitutes the

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higher education component of the program. The higher education component required under this section must comply with the following requirements:

(1) Include the following study requirements:

(A) For a program participant who seeks to obtain a license to teach in grades 6 through 12, up to eighteen (18) credit hours of study or the equivalent that prepare a program participant to meet Indiana standards for teaching in the subject areas corresponding to the area in which the program participant has met the education requirements under section 5 of this chapter, unless the program participant demonstrates that the program participant requires fewer credit hours of study to meet Indiana standards for teaching.

(B) For a program participant who seeks to obtain a license to teach in kindergarten through grade 5, twenty-four (24) credit hours of study or the equivalent, which must include at least six (6) credit hours in teaching reading, that prepare a program participant to meet Indiana standards for teaching, unless the program participant demonstrates that the program participant requires fewer credit hours of study to meet Indiana standards for teaching.

(2) Focus on the communication of knowledge to students.

(3) Include suitable field or classroom experiences if the program participant does not have teaching experience.

Sec. 5. An individual who wishes to participate in the program must have one (1) of the following qualifications:

(1) For a program participant who seeks to obtain a license to teach in grades 6 through 12, one (1) of the following:

(A) A bachelor's degree or the equivalent with a grade point average of at least three (3.0) on a four (4.0) point scale from an accredited institution of higher education in the subject area that the individual intends to teach.

(B) A graduate degree from an accredited institution of higher education in the subject area that the individual intends to teach.

(C) Both:

(i) a bachelor's degree from an accredited institution of higher education with a grade point average of at least two and five-tenths (2.5) on a four (4.0) point scale; and

(ii) five (5) years professional experience;

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in the subject area that the individual intends to teach.

(2) For a program participant who seeks to obtain a license to teach in kindergarten through grade 5, one (1) of the following:

(A) A bachelor's degree or the equivalent with a grade point average of at least three (3.0) on a four (4.0) point scale from an accredited institution of higher education.

(B) Both:

(i) a bachelor's degree from an accredited institution of higher education with a grade point average of at least two and five-tenths (2.5) on a four (4.0) point scale; and

(ii) five (5) years professional experience in an education related field.

Sec. 6. The board shall grant an initial standard license to a program participant who does the following:

(1) Successfully completes the higher education component of the program.

(2) Demonstrates proficiency through a written examination in:

(A) basic reading, writing, and mathematics;

(B) pedagogy; and

(C) knowledge of the areas in which the program participant is required to have a license to teach;

under IC 20-28-5-12(b).

(3) Participates successfully in a beginning teacher internship program under IC 20-6.1-8 (repealed) that includes implementation in a classroom of the teaching skills learned in the higher education component of the program.

(4) Receives a successful assessment of teaching skills upon completion of the beginning teacher internship program under subdivision (3) from the administrator of the school where the beginning teacher internship program takes place, or, if the program participant does not receive a successful assessment, participates in the beginning teacher internship program for a second year as provided under IC 20-6.1-8-13 (repealed). The appeals provisions of IC 20-6.1-8-14 (repealed) apply to an assessment under this subdivision.

Sec. 7. This section applies to a program participant who has a degree described in section 5 of this chapter that does not include all the content areas of a standard license issued by the board. The board shall issue an initial standard license that is restricted to only the content areas in which the program participant has a

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degree unless the program participant demonstrates sufficient knowledge in other content areas of the license.

Sec. 8. A school corporation may hire a program participant to teach only in the subject area in which the participant meets the qualifications set forth under section 5 of this chapter.

Sec. 9. After receiving an initial standard license under section 6 or 7 of this chapter, a program participant who seeks to renew the participant's initial standard license must meet the same requirements as other candidates for license renewal.

Sec. 10. (a) The board may adopt rules under IC 4-22-2 to administer this chapter.

(b) Rules adopted under this section must include a requirement that accredited teacher training schools and departments in Indiana submit an annual report to the board of the number of individuals who:

(1) enroll in; and

(2) complete;

the program.

Chapter 5. Licenses

Sec. 1. The board is responsible for the licensing of teachers.

Sec. 2. The board may adopt rules for:

(1) the issuance of a substitute teacher's license; and

(2) the employment of substitute teacher licensees.

An individual may not serve as a substitute teacher without a license issued by the board.

Sec. 3. (a) The board shall designate:

(1) the grade point average required for each type of license; and

(2) the types of licenses to which the teachers' minimum salary laws apply, including nonrenewable one (1) year limited licenses.

(b) The board shall determine details of licensing not provided in this chapter, including requirements regarding the following:

(1) The conversion of one (1) type of license into another.

(2) The accreditation of teacher training schools and departments.

(3) The exchange and renewal of licenses.

(4) The endorsement of another state's license.

(5) The acceptance of credentials from teacher training institutions of another state.

(6) The academic and professional preparation for each type of license.

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(7) The granting of permission to teach a high school subject area related to the subject area for which the teacher holds a license.

(8) The issuance of licenses on credentials.

(9) The type of license required for each school position.

(10) The size requirements for an elementary school requiring a licensed principal.

(11) Any other related matters.

The board shall establish at least one (1) system for renewing a teaching license that does not require a graduate degree.

(c) The board shall periodically publish bulletins regarding:

(1) the details described in subsection (b);

(2) information on the types of licenses issued;

(3) the rules governing the issuance of each type of license; and

(4) other similar matters.

Sec. 4. (a) An individual who applies for a license or a license renewal to teach in a public school shall subscribe to the following oath or affirmation, which may be administered by the governing body:

"I solemnly swear (or affirm) that I will support the Constitution of the United States of America and the Constitution of the State of Indiana.".

(b) Two (2) copies of the oath or affirmation shall be executed as follows:

(1) One (1) copy shall be filed with the state superintendent when the license application is made.

(2) The individual who subscribes to the oath or affirmation shall retain the other copy.

(c) The oath or affirmation must be filed with the state superintendent before a license may be issued.

Sec. 5. If a teacher who is a graduate of an accredited institution outside Indiana does not meet certain technical requirements for a license, the teacher may be granted a particular type of license and a reasonable amount of time to fulfill the requirements of the license granted.

Sec. 6. (a) The following fees remain in effect and shall be collected by the board until the fees are replaced by new fees adopted by rule under this section:

(1) Five dollars ($5) for evaluation of the qualifications of applicants for licenses to practice as a teacher.

(2) Five dollars ($5) for licensure to practice as a teacher.

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(3) Five dollars ($5) for the issuance of a duplicate license to practice as a teacher.

(b) The board shall adopt by rule and cause to be collected fees sufficient to pay all the costs of the services described in subsection (a)(1), (a)(2), and (a)(3).

(c) All fees collected under this section shall be deposited in the state general fund for use by the board in complying with the duties of the board.

Sec. 7. On the written recommendation of the state superintendent, the board may suspend or revoke a license for:

(1) immorality;

(2) misconduct in office;

(3) incompetency; or

(4) willful neglect of duty.

For each suspension or revocation, the board shall comply with IC 4-21.5-3.

Sec. 8. (a) This section applies when a prosecuting attorney knows that a licensed employee of a public school or a nonpublic school has been convicted of an offense listed in subsection (c). The prosecuting attorney shall immediately give written notice of the conviction to the following:

(1) The state superintendent.

(2) Except as provided in subdivision (3), the superintendent of the school corporation that employs the licensed employee or the equivalent authority if a nonpublic school employs the licensed employee.

(3) The presiding officer of the governing body of the school corporation that employs the licensed employee, if the convicted licensed employee is the superintendent of the school corporation.

(b) The superintendent of a school corporation, presiding officer of the governing body, or equivalent authority for a nonpublic school shall immediately notify the state superintendent when the individual knows that a current or former licensed employee of the public school or nonpublic school has been convicted of an offense listed in subsection (c).

(c) The board, after holding a hearing on the matter, shall permanently revoke the license of a person who is known by the board to have been convicted of any of the following felonies:

(1) Kidnapping (IC 35-42-3-2), if the victim is less than eighteen (18) years of age.

(2) Criminal confinement (IC 35-42-3-3), if the victim is less

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than eighteen (18) years of age.

(3) Rape (IC 35-42-4-1), if the victim is less than eighteen (18) years of age.

(4) Criminal deviate conduct (IC 35-42-4-2), if the victim is less than eighteen (18) years of age.

(5) Child molesting (IC 35-42-4-3).

(6) Child exploitation (IC 35-42-4-4(b)).

(7) Vicarious sexual gratification (IC 35-42-4-5).

(8) Child solicitation (IC 35-42-4-6).

(9) Child seduction (IC 35-42-4-7).

(10) Sexual misconduct with a minor (IC 35-42-4-9).

(11) Incest (IC 35-46-1-3), if the victim is less than eighteen (18) years of age.

(12) Dealing in or manufacturing cocaine, a narcotic drug, or methamphetamine (IC 35-48-4-1).

(13) Dealing in a schedule I, II, or III controlled substance (IC 35-48-4-2).

(14) Dealing in a schedule IV controlled substance (IC 35-48-4-3).

(15) Dealing in a schedule V controlled substance (IC 35-48-4-4).

(16) Dealing in a counterfeit substance (IC 35-48-4-5).

(17) Dealing in marijuana, hash oil, or hashish (IC 35-48-4-10(b)).

(d) A license may be suspended by the state superintendent as specified in IC 20-28-7-7.

Sec. 9. (a) An applicant must do the following:

(1) Submit a request to the Indiana central repository for limited criminal history information under IC 10-13-3.

(2) Obtain a copy of the limited criminal history for the applicant from the repository's records.

(3) Submit to the board the limited criminal history for the applicant.

(4) Submit to the board a document verifying a disposition that does not appear on the limited criminal history for the applicant.

(b) The board may deny the issuance of a license or certificate to an applicant who is convicted of an offense for which the individual's license may be revoked or suspended under this chapter.

(c) The board must use the information obtained under this section in accordance with IC 10-13-3-29.

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(d) An applicant is responsible for all costs associated with meeting the requirements of this section.

Sec. 10. (a) The board shall keep a record of:

(1) all licenses issued;

(2) all licenses in force; and

(3) the academic preparation, professional preparation, and teaching experience of each applicant for a license or a license renewal.

(b) A superintendent of a school corporation shall register and keep a record of the following for each licensed teacher employed by the school corporation:

(1) The type of license held by the teacher.

(2) The teacher's date of first employment.

(3) The teacher's annual or monthly salary.

Sec. 11. (a) This section does not apply to an individual who, on September 1, 1985, has earned more than the equivalent of twelve (12) semester hours of graduate credit.

(b) The board may not renew the junior high/middle school or secondary education license of a teacher on the basis of the teacher obtaining a graduate degree unless the teacher completes at least the equivalent of eighteen (18) semester hours beyond the teacher's undergraduate degree in any combination of courses in the teacher's major, minor, primary, supporting, or endorsement areas. The semester hours may include graduate hours or undergraduate hours, or both, as determined by the board.

(c) The board may:

(1) adopt rules under IC 4-22-2 to create exceptions to the requirements under subsection (b); and

(2) waive the requirements under subsection (b) on an individual basis.

Sec. 12. (a) Subsection (b) does not apply to an individual who held an Indiana limited, reciprocal, or standard teaching license on June 30, 1985.

(b) The board may not grant an initial standard license to an individual unless the individual has demonstrated proficiency in the following areas on a written examination or through other procedures prescribed by the board:

(1) Basic reading, writing, and mathematics.

(2) Pedagogy.

(3) Knowledge of the areas in which the individual is required to have a license to teach.

(4) If the individual is seeking to be licensed as an elementary

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school teacher, comprehensive reading instruction skills, including:

(A) phonemic awareness; and

(B) phonics instruction.

(c) An individual's license examination score may not be disclosed by the board without the individual's consent unless specifically required by state or federal statute or court order.

(d) The board shall adopt rules under IC 4-22-2 to do the following:

(1) Adopt, validate, and implement the examination or other procedures required by subsection (b).

(2) Establish examination scores indicating proficiency.

(3) Otherwise carry out the purposes of this section.

(e) The board shall adopt rules under IC 4-22-2 establishing the conditions under which the requirements of this section may be waived for individuals holding valid teachers' licenses issued by another state.

Sec. 13. (a) This section applies to an examination required for teacher licensure under this chapter.

(b) If an individual does not demonstrate the level of proficiency required to receive a license on all or a part of an examination, the examination's scorer must provide the individual with the individual's test scores, including subscores for each area tested.

Sec. 14. If the board is notified by the department of state revenue that an individual is on the most recent tax warrant list, the board may not grant an initial standard license to the individual until:

(1) the individual provides the board with a statement from the department of state revenue indicating that the individual's delinquent tax liability has been satisfied; or

(2) the board receives a notice from the commissioner of the department of state revenue under IC 6-8.1-8-2(k).

Chapter 6. Contracts

Sec. 1. (a) Not later than ten (10) days after a request from the governing body, the superintendent of a school corporation shall make a report on an individual being considered by the school corporation for either a teaching appointment or an indefinite contract as described in section 8 of this chapter. The report must contain information on the individual's teaching preparation, experience, and license.

(b) The governing body of a school corporation may not employ an individual who receives an initial standard or reciprocal license

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after March 31, 1988, for a teaching appointment under this chapter unless the individual:

(1) has successfully completed a beginning teacher internship program, under IC 20-6.1-8 (repealed); or

(2) has at least two (2) years teaching experience outside Indiana.

(c) This section does not prevent the granting of additional authority in the selection or employment of teachers to a superintendent of a school corporation by the rules of the school corporation.

Sec. 2. (a) A contract entered into by a teacher and a school corporation must:

(1) be in writing;

(2) be signed by both parties; and

(3) contain the:

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

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

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

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

(b) The contract may provide for the annual determination of the teacher's annual compensation by a local salary schedule, which is part of the contract. The salary schedule may be changed by the school corporation on or before May 1 of a year, with the changes effective the next school year. A teacher affected by the changes shall be furnished with printed copies of the changed schedule not later than thirty (30) days after the schedule's adoption.

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

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

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

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

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

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

(e) An action may be brought on a contract that conforms with

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subsections (a)(1), (a)(2), and (d).

Sec. 3. The state superintendent shall do the following:

(1) Prescribe the following forms:

(A) The uniform teacher's contract in the following alternate forms:

(i) The regular teacher's contract.

(ii) The temporary teacher's contract.

(B) The supplemental service teacher's contract.

(2) Furnish each school corporation with the forms.

(3) Require each school corporation to include in the school corporation's semiannual report on average daily attendance a statement that the school corporation is in compliance with IC 20-28-5-2, sections 4 through 7 of this chapter, IC 20-28-9-7, and IC 20-28-9-8.

Sec. 4. (a) This section does not apply to a teacher employed as a substitute teacher.

(b) A teacher employed in a public school must be employed on a uniform teacher's contract or a supplemental service teacher's contract.

Sec. 5. The regular teacher's contract must be used statewide without amendment and must contain, in addition to the items in section 2(a)(3) of this chapter:

(1) the manner of salary payment; and

(2) any provisions relating to the government of the school that the state superintendent includes.

Sec. 6. (a) A temporary teacher's contract shall be used only for employing a teacher to serve in the absence of a teacher who has been granted a leave of absence by the school corporation for:

(1) engaging in defense service or in service auxiliary to defense service;

(2) professional study or advancement;

(3) exchange teaching;

(4) extended disability to which a licensed physician has attested; or

(5) serving in the general assembly.

(b) The temporary teacher's contract must contain:

(1) the provisions of the regular teacher's contract except those providing for continued tenure of position;

(2) a blank space for the name of the teacher granted the leave, which may not be used on another temporary teacher's contract for the same leave of absence; and

(3) an expiration date that:

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(A) is the date of the return of the teacher on leave; and

(B) is not later than the end of the school year.

(c) If a teacher is employed on the temporary teacher's contract for at least sixty (60) days in a school year, the teacher may, on request, receive the service credit that the teacher would otherwise receive with regard to the Indiana state teachers' retirement fund. Additionally, the salary of that teacher may not be less than the state minimum salary under IC 20-28-9-1 and IC 20-28-9-2, or by a local salary schedule not less remunerative than the state minimum salary under IC 20-28-9-1 and IC 20-28-9-2.

Sec. 7. (a) As used in this section, "teacher" includes an individual who:

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

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

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

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

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

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

(3) IC 20-28-7-3 through IC 20-28-7-5.

(4) IC 20-28-7-7 through IC 20-28-7-12.

(5) IC 20-28-7-14.

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

(d) The salary of a teacher on a supplemental service contract must equal the salary of a teacher on the regular salary schedule of the school corporation where the teacher will serve. Part-time service on the supplemental service contract is computed on the basis of six (6) hours as a full day of service.

Sec. 8. (a) An individual who:

(1) serves under contract as a teacher in a public school corporation for at least five (5) successive years; and

(2) at any time enters into a teacher's contract for further service with the school corporation;

becomes, by entering into the contract described in subdivision (2), a permanent teacher of the school corporation. When a contract between the school corporation and a permanent teacher expires

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by the contract's terms, the contract is considered to continue indefinitely as an indefinite contract.

(b) An indefinite contract remains in force until the permanent teacher becomes seventy-one (71) years of age, unless the indefinite contract is:

(1) replaced by a new contract signed by both parties; or

(2) canceled as provided in IC 20-28-7.

Sec. 9. (a) A teacher serving under a regular contract at a laboratory school operated under IC 20-12-14 who is offered and accepts a position in the local school corporation that is a party to the agreement with the university operating the laboratory school is entitled to:

(1) transfer to the local school corporation any years served as a regular teacher at the laboratory school; and

(2) receive credit for the years in meeting the five (5) year requirement for an indefinite contract contained in section 8 of this chapter.

(b) If the teacher accepting a position with the local school corporation has served as a regular teacher at the laboratory school for at least five (5) successive years, the teacher's contract with the local school corporation is an indefinite contract under section 8 of this chapter.

Sec. 10. (a) An individual who:

(1) serves under contract as a teacher in a public school corporation for two (2) successive years;

(2) at any time after serving two (2) successive years in the public school corporation enters into a teacher's contract for further service with the school corporation; and

(3) is not a permanent teacher under section 8 of this chapter;

is a semipermanent teacher of the school corporation. When a contract between the school corporation and a semipermanent teacher expires by the contract's terms, the contract continues indefinitely as an indefinite contract for a semipermanent teacher.

(b) An indefinite contract for a semipermanent teacher remains in force until:

(1) the contract is replaced by a new contract signed by both parties;

(2) the contract is canceled as provided in IC 20-28-7; or

(3) the teacher becomes a permanent teacher under section 8 of this chapter.

Chapter 7. Cancellation of Teacher Contracts

Sec. 1. (a) An indefinite contract with a permanent teacher may

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be canceled in the manner specified in sections 3 through 5 of this chapter only for one (1) or more of the following grounds:

(1) Immorality.

(2) Insubordination, which means a willful refusal to obey the state school laws or reasonable rules prescribed for the government of the school corporation.

(3) Neglect of duty.

(4) Incompetence.

(5) Justifiable decrease in the number of teaching positions.

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

(7) Other good and just cause.

When the cause of cancellation is a ground set forth in subdivision (1), (2), or (6), the cancellation is effective immediately. When the cause of cancellation is a ground set forth in subdivision (3), (4), (5), or (7), the cancellation is effective at the end of the school term following the cancellation.

(b) An indefinite contract may not be canceled for political or personal reasons.

Sec. 2. (a) An indefinite contract with a semipermanent teacher may be canceled in the manner specified in sections 3 through 5 of this chapter only for one (1) or more of the following grounds:

(1) Immorality.

(2) Insubordination, which means a willful refusal to obey the state school laws or reasonable rules prescribed for the government of the school corporation.

(3) Neglect of duty.

(4) Substantial inability to perform teaching duties.

(5) Justifiable decrease in the number of teaching positions.

(6) Good and just cause.

(7) The cancellation is in the best interest of the school corporation.

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

(b) An indefinite contract with a semipermanent teacher may not be canceled for political or personal reasons.

(c) Before the cancellation of a semipermanent teacher's indefinite contract, the principal of the school at which the teacher teaches must provide the teacher with a written evaluation of the teacher's performance before January 1 of each year. Upon the request of a semipermanent teacher, delivered in writing to the principal not later than thirty (30) days after the teacher receives the evaluation required by this section, the principal must provide the teacher with an additional written evaluation.

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Sec. 3. An indefinite contract with a permanent or semipermanent teacher may be canceled only in the following manner:

(1) The teacher must be notified in writing of the date, time, and place for the consideration by the school corporation of the cancellation of the contract. Notification under this subdivision must occur not more than forty (40) days nor less than thirty (30) days before the consideration.

(2) The teacher must be furnished, not later than five (5) days after a written request, a written statement of the reasons for the consideration.

(3) The teacher may file a written request for a hearing not later than fifteen (15) days after receiving notice under subdivision (1).

(4) If a request for a hearing is filed, the teacher must be given a hearing before the governing body on a day not earlier than five (5) days after the filing of the request.

(5) The teacher must be given not less than five (5) days notice of the date, time, and place of the hearing.

(6) At the hearing, the teacher is entitled:

(A) to a full statement of the reasons for the proposed cancellation of the contract; and

(B) to be heard and to present the testimony of witnesses and other evidence bearing on the reasons for the proposed cancellation of the contract.

(7) A contract may not be canceled before the date set for consideration of the cancellation of the contract and until the following have occurred:

(A) A hearing is held, if a hearing is requested by the teacher.

(B) The superintendent of the school corporation has given the superintendent's recommendations on the contract. On five (5) days written notice to the superintendent by the school corporation, the superintendent shall present a recommendation on the contract, except if the contract is a superintendent's contract.

(8) Pending a decision on the cancellation of a teacher's contract, the teacher may be suspended from duty.

(9) After complying with:

(A) section 1 of this chapter, in the case of permanent teachers; or

(B) section 2 of this chapter, in the case of semipermanent

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teachers; and

with this section, the governing body of the school corporation may cancel an indefinite contract with a teacher by a majority vote evidenced by a signed statement in the minutes of the board. The decision of the governing board is final.

The vote to cancel a contract under subdivision (9) must be taken by the governing body on the date and at the time and place specified in subdivision (1).

Sec. 4. If a permanent or semipermanent teacher is suspended under section 3(8) of this chapter, and except as provided in IC 20-28-9-18, the governing body may not, while the teacher is suspended, withhold from the teacher any salary payments or other employment related benefits that before the suspension the teacher was entitled to receive.

Sec. 5. (a) The governing body may appoint an agent, who:

(1) is not an employee of the school corporation; and

(2) may be a member of the governing body or an attorney retained to administer the hearing proceedings under this chapter;

to issue subpoenas for the attendance of witnesses for either party at the hearing.

(b) A subpoena issued under this section must be:

(1) served by the party who seeks to compel the attendance of a witness; and

(2) upon application to the court by the party, enforced in the manner provided by law for the service and enforcement of subpoenas in a civil action.

Sec. 6. (a) A permanent teacher who holds an indefinite contract under IC 20-28-6-8 may not be discharged or have the teacher's contract canceled except as provided in sections 1, 3, 4, and 5 of this chapter.

(b) A semipermanent teacher who holds an indefinite contract under IC 20-28-6-10 may not be discharged or have the teacher's contract canceled except as provided in sections 2 through 5 of this chapter.

(c) A school corporation and the school corporation's proper officers shall retain a permanent or semipermanent teacher until the teacher's indefinite contract is properly terminated.

(d) If subsection (a), (b), or (c) is violated, the permanent or semipermanent teacher may bring an action for mandate as provided by law against the proper officers of the school corporation for an order requiring the officers to reinstate the

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teacher and restore the teacher to full rights as a permanent or semipermanent teacher.

Sec. 7. (a) A permanent or semipermanent teacher may not cancel an indefinite contract during the school term of the contract or during the thirty (30) days before the beginning date of the school term unless the cancellation is mutually agreed upon. A permanent or semipermanent teacher may cancel the teacher's indefinite contract at any other time by giving five (5) days notice to the school corporation.

(b) A permanent or semipermanent teacher who cancels the teacher's indefinite contract in any manner other than as provided in subsection (a) is guilty of unprofessional conduct, for which the state superintendent may suspend the teacher's license for not more than one (1) year.

Sec. 8. A contract entered into by a nonpermanent teacher and a school corporation continues in force on the same terms and for the same wages, unless increased under IC 20-28-9-1 and IC 20-28-9-2, for the next school term following the date of termination set in the contract. However, the contract does not continue if any of the following occur:

(1) The school corporation refuses continuation of the contract under sections 9 and 10(b) of this chapter.

(2) The teacher delivers or mails by registered or certified mail to the school corporation the teacher's written resignation.

(3) The contract is replaced by another contract agreed to by the parties.

Sec. 9. Before a teacher is refused continuation of the contract under section 8 of this chapter, the teacher has the following rights, which shall be strictly construed:

(1) The principal of the school at which the teacher teaches must provide the teacher with an annual written evaluation of the teacher's performance before January 1 of each year. Upon the request of a nonpermanent teacher, delivered in writing to the principal not later than thirty (30) days after the teacher receives the evaluation required by this section, the principal shall provide the teacher with an additional written evaluation.

(2) On or before May 1, the school corporation shall notify the teacher that the governing body will consider nonrenewal of the contract for the next school term. The notification must be:

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(A) written; and

(B) delivered in person or mailed by registered or certified mail to the teacher at the teacher's last known address.

(3) Upon the request of the teacher, and not later than fifteen (15) days after the teacher's receipt of the notice of the consideration of contract nonrenewal, the governing body or the superintendent of the school corporation shall provide the teacher with a written statement, which:

(A) may be developed in an executive session; and

(B) is not a public document;

giving the reasons for the nonrenewal of the teacher's contract.

Sec. 10. (a) A teacher who receives notice of the nonrenewal of the teacher's contract under section 9 of this chapter may request a conference under this section.

(b) A conference shall be held:

(1) with the governing body; or

(2) at the direction of the governing body, with the superintendent of the school corporation or the superintendent's designee;

not more than ten (10) days after the day the governing body receives a teacher's request for a conference. If the first conference is not with the governing body, the teacher may request a second conference, which must be held with the governing body at a time mutually agreeable to both parties and not more than twenty (20) days after the day the governing body receives the request for a second conference, or before the end of the school year, whichever is earlier.

(c) The governing body may, in addition to a conference under this section, require that the superintendent of the school corporation or the superintendent's designee and the teacher summarize in writing the position of each party with respect to the continuation of the contract.

(d) At a conference under this section:

(1) the governing body, the superintendent of the school corporation, or the superintendent's designee shall provide full and complete information supporting the reasons given for noncontinuance; and

(2) the teacher shall provide any information demonstrating that noncontinuance of the contract is improper.

(e) A conference under this section with the governing body shall be in executive session unless the teacher requests a public

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conference. The teacher may have a representative at any conference.

(f) The governing body shall vote on the continuation of the teacher's contract not more than ten (10) days after a conference under this section.

Sec. 11. The periods set out in section 10(b) of this chapter shall be extended for a reasonable period:

(1) when a teacher or school official is ill or absent from the school corporation;

(2) when the teacher requests a public conference, but a public conference held within the periods of section 10(b) of this chapter violates IC 5-14-1.5-5; or

(3) for other reasonable cause.

Sec. 12. The governing body of a school corporation may decide not to continue a teacher's contract under sections 8 through 11 of this chapter:

(1) for any reason considered relevant to the school corporation's interest; or

(2) because of a teacher's inability to perform the teacher's teaching duties.

Sec. 13. (a) This chapter may not be construed to limit the provisions of a collective bargaining agreement negotiated under IC 20-29.

(b) This chapter does not prohibit a school employer and an exclusive representative from collectively bargaining contracts that alter the requirements of sections 1 through 6 and sections 8 through 12 of this chapter and IC 20-28-9-21 through IC 20-28-9-23.

(c) This chapter may not be construed to limit the rights of a school employer and an exclusive representative (as defined in IC 20-29-2-9) to mutually agree to binding arbitration concerning teacher dismissals.

(d) If the school employer and the exclusive representative mutually agree to binding arbitration of teacher dismissals:

(1) the arbitrator shall determine whether the hearing will be open to the public; and

(2) the written decision of the arbitrator must be:

(A) presented to the governing body in an open meeting; and

(B) made available to the public for inspection and copying.

Sec. 14. (a) This section does not apply to an individual who

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works at a conversion charter school (as defined in IC 20-24-1-5) for purposes of the individual's employment with the school corporation that sponsored the conversion charter school.

(b) A contract entered into after August 15 between a school corporation and a teacher is void if the teacher, at the time of signing the contract, is bound by a previous contract to teach in a public school. However, another contract may be signed by the teacher that will be effective if the teacher:

(1) furnishes the governing body a release by the employers under the previous contract; or

(2) shows proof that twenty-one (21) days written notice was delivered by the teacher to the first employer.

(c) A governing body may request from a teacher, at the time of contracting, a written statement as to whether the teacher has signed another teaching contract. However, the teacher's failure to provide the statement is not a cause for subsequently voiding the contract.

Sec. 15. (a) A township trustee may not contract with a teacher if the teacher's term of service under the contract begins after the expiration of the trustee's term of office.

(b) A contract that violates subsection (a) is void as to the trustee's township and school fund. However, the trustee is personally liable to the teacher for all services rendered under the contract and all damages sustained by reason of the contract.

Chapter 8. Contracts with School Administrators

Sec. 1. A school corporation may provide in the contract of a principal or of any of the principal's administrative assistants compensation for services performed for a time, either before or after the school term, as considered necessary by the governing body.

Sec. 2. A contract of employment shall be entered into between the governing body of the school corporation and a principal or assistant principal subject to the following conditions:

(1) The basic contract must be the regular teacher's contract as prescribed by the state superintendent.

(2) The term of the initial contract must be the equivalent of at least two (2) school years.

(3) The contract may be altered, modified, or rescinded in favor of a new contract at any time by mutual consent of the governing body of the school corporation and the principal or assistant principal, if the contract, when reduced to writing, is consistent with this chapter.

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Sec. 3. (a) Before February 1 of the year during which the contract of an assistant superintendent, a principal, or an assistant principal is due to expire, the governing body of the school corporation, or an employee at the direction of the governing body, shall give written notice of renewal or refusal to renew the individual's contract for the ensuing school year.

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

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

Sec. 4. (a) At least thirty (30) days before giving written notice of refusal to renew a contract under section 3 of this chapter, the governing body, or an employee at the direction of the governing body, shall inform the assistant superintendent, the principal, or the assistant principal by written preliminary notice that:

(1) the governing body is considering a decision not to renew the contract; and

(2) if the individual files a request with the school corporation for a private conference not later than five (5) days after receiving the preliminary notice, the individual is entitled to a private conference with the superintendent of the school corporation.

(b) If the individual files a request with the school corporation for an additional private conference not later than five (5) days after the initial private conference with the superintendent of the school corporation, the individual is entitled to an additional private conference with the governing body of the school corporation before being given written notice of refusal to renew the contract.

(c) The preliminary notice required under this section must include the governing body's reasons for considering a decision not to renew.

Sec. 5. The evaluation of a principal's performance may not be based wholly on the ISTEP program test scores under IC 20-32-5 of the students enrolled at the principal's school. However, the ISTEP program test scores under IC 20-32-5 of the students enrolled at a principal's school may be considered as one (1) of the factors in the evaluation of the principal's overall performance at the school.

Sec. 6. A contract entered into by a governing body and its

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superintendent is subject to the following conditions:

(1) The basic contract must be in the form of the regular teacher's contract.

(2) The contract must be for a term of at least thirty-six (36) months.

(3) The contract may be altered or rescinded for a new one at any time by mutual consent of the governing body and the superintendent. The consent of both parties must be in writing and must be expressed in a manner consistent with this section and sections 7 through 8 of this chapter.

(4) The rights of a superintendent as a teacher under any other law are not affected by the contract.

Sec. 7. A superintendent's contract terminates on the following dates and under the following conditions only:

(1) On any date, if the governing body and the superintendent mutually consent.

(2) Before the expiration date set forth in the contract, if the governing body terminates the contract for cause under a statute that sets forth causes for dismissal of teachers. However, the governing body must give the superintendent proper notice and, if the superintendent requests a hearing at least ten (10) days before the termination, must grant the superintendent a hearing at an official meeting of the governing body.

(3) On the expiration date set forth in the contract, if the governing body not later than January 1 of the year in which the contract expires gives notice to the superintendent in writing, delivered in person or by registered mail.

(4) On the expiration date set forth in the contract, if the superintendent not later than January 1 of the year in which the contract expires gives proper notice in writing to the governing body.

Sec. 8. If the governing body fails to give a termination notice under section 7(3) of this chapter, the superintendent's contract is extended for twelve (12) months following the expiration date of the contract.

Sec. 9. A managing body may provide in the contract of a local director compensation for services performed for a time, either before or after the school term, as considered necessary by the managing body.

Sec. 10. A contract of employment shall be entered into between the managing body and a local director subject to the following

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conditions:

(1) The basic contract must be the regular teacher's contract as prescribed by the state superintendent.

(2) The minimum term of the initial contract must be the equivalent of two (2) school years.

(3) The contract may be altered, modified, or rescinded in favor of a new contract at any time by mutual consent of the managing body and the local director if the written contract is consistent with this chapter.

Sec. 11. (a) Before February 1 of the year during which the contract of a local director is due to expire, the managing body, or an employee at the direction of the managing body, shall give written notice of renewal or refusal to renew the local director's contract for the ensuing school year.

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

(c) This section does not prevent the modification or termination of a contract by mutual agreement of the local director and the managing body.

Sec. 12. (a) At least thirty (30) days before giving written notice of refusal to renew a contract under section 11 of this chapter, the managing body, or an employee at the direction of the managing body, shall inform the local director by written preliminary notice that:

(1) the managing body is considering a decision not to renew the contract; and

(2) if the local director files a request with the managing body for a private conference not later than five (5) days after receiving the preliminary notice, the local director is entitled to a private conference with the superintendent, president, trustee, or other head of the managing body.

(b) If the local director files a request with the managing body for an additional private conference not more than five (5) days after the initial private conference with the superintendent, president, trustee, or other head of the managing body, the local director is entitled to an additional private conference with the managing body before being given written notice of refusal to renew the contract.

(c) The preliminary notice required under this section must include the managing body's reasons for considering a decision not to renew.

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Chapter 9. Salary and Related Payments

Sec. 1. (a) A teacher's minimum salary each school year must be computed based on the teacher's training, experience, and degree completed as of the teacher's first day of service.

(b) If a teacher is licensed by the board on:

(1) the first day of service in the current school year; or

(2) another date as agreed by the school employer and the exclusive representative under IC 20-29;

the teacher's minimum salary is computed under section 2 of this chapter.

Sec. 2. A teacher's minimum salary for service during a nine (9) month school term is computed as follows:

(1) For a teacher who has completed four (4) years or one hundred forty-four (144) weeks of professional training, five thousand two hundred dollars ($5,200), plus:

(A) an additional increment of one hundred fifty dollars ($150) after each of the first ten (10) years of experience; and

(B) an additional increment of two hundred fifty dollars ($250) after each of the following years of experience:

(i) The fifteenth.

(ii) The twentieth.

(2) For a teacher who has completed five (5) years or one hundred eighty (180) weeks of professional training, five thousand five hundred dollars ($5,500), plus:

(A) an additional increment of one hundred fifty dollars ($150) after each of the first eighteen (18) years of experience; and

(B) an additional increment of three hundred dollars ($300) after each of the following years of experience:

(i) The nineteenth.

(ii) The twentieth.

(iii) The twenty-second.

(iv)The twenty-fourth.

(v)The twenty-sixth.

(vi) The thirtieth.

(3) For a teacher who has completed less than four (4) years of professional training, four thousand seven hundred dollars ($4,700), plus an additional increment of one hundred twenty dollars ($120) after each of the first ten (10) years of experience.

Sec. 3. If:

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(1) the school term of; or

(2) a teacher's contract with;

a school corporation is longer or shorter than nine (9) months, the minimum salary as computed under section 2 of this chapter must be proportionately increased or decreased.

Sec. 4. (a) The board shall require each teacher to hold:

(1) a bachelor's degree from an accredited teacher training institution to qualify for the first time for classification under section 2(1) of this chapter; and

(2) a master's degree to qualify for the first time for classification under section 2(2) of this chapter.

(b) A teacher may not receive credit for five (5) years of training under section 2(2) of this chapter unless the teacher has completed at least a bachelor's degree.

Sec. 5. In computing the annual salary of a teacher or when distributing state funds, an amount of less than fifty cents ($0.50) is dropped while an amount of fifty cents ($0.50) or more is rounded up to the next whole dollar.

Sec. 6. (a) The governing body shall fix wages for substitute teachers.

(b) A substitute teacher may be engaged without a written contract.

Sec. 7. (a) An individual who:

(1) holds:

(A) a professional license;

(B) a provisional license;

(C) a limited license; or

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

(2) serves as an occasional substitute teacher;

shall be compensated on the pay schedule for substitutes of the school corporation the individual serves.

(b) An individual who:

(1) holds a:

(A) professional license; or

(B) provisional license; and

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

shall be compensated on the regular pay schedule for teachers of the school corporation the individual serves.

Sec. 8 An individual who holds a substitute license shall be compensated on the pay schedule for substitutes of the school corporation the individual serves.

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Sec. 9. (a) Each teacher may be absent from work with pay:

(1) on account of illness or quarantine for ten (10) days the first year and seven (7) days in each succeeding year (referred to as "sick days" in this chapter); and

(2) for death in the teacher's immediate family for a period extending not more than five (5) days beyond the death.

(b) If the teacher does not use all the teacher's sick days in a school year, the unused days accumulate up to a total of ninety (90) days. However, each teacher shall be credited with the accumulative days accrued to the teacher on January 1, 1966.

Sec. 10. (a) This section applies whenever a teacher accumulates at least one (1) sick day and then is employed in another school corporation.

(b) Beginning in the teacher's second year, the teacher's employer shall add up to three (3) sick days each year to the number of sick days to which the teacher is entitled under section 9(a) of this chapter until the accumulated sick days to which the teacher was entitled in the teacher's last employment are exhausted.

Sec. 11. Absences that are not described in sections 9 through 10 of this chapter may be taken with pay when agreed on by the school employer and the exclusive representative under IC 20-29.

Sec. 12. A school corporation may adopt regulations governing the payment or part payment of teachers and then make payments in accordance with those regulations to teachers who are absent because of:

(1) sickness;

(2) attending school conventions or meetings;

(3) visiting other schools; or

(4) a death in the immediate family.

Sec. 13. A school corporation may establish a voluntary sick day bank:

(1) to which a teacher may contribute unused sick days; and

(2) from which a contributing teacher may draw sick days when the contributing teacher's accumulated sick days are exhausted.

Sec. 14. Each teacher may have at least two (2) days each year with pay for the transaction of personal business or the conduct of personal or civic affairs. The teacher shall submit to the superintendent a written statement describing the reason and necessity for the absence.

Sec. 15. If during the term of the teacher's contract:

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(1) the school is closed by order of the:

(A) school corporation; or

(B) health authorities; or

(2) school cannot be conducted through no fault of the teacher;

the teacher shall receive regular payments during that time. If a canceled student instructional day (as defined in IC 20-30-2-2) is rescheduled to comply with IC 20-30-2, each teacher and (notwithstanding IC 20-27-8-7) each school bus driver shall work on that rescheduled day without additional compensation.

Sec. 16. A school may be closed for up to two (2) weeks for Christmas holidays without payment of teachers' salaries. Closing the school for Christmas holidays does not shorten the length of the school term.

Sec. 17. The governing body of a school city may pay the salary of teachers for Saturdays in addition to the other days that school is in session.

Sec. 18. (a) Upon a teacher's written request, a governing body shall withhold the requested amount of money from the salary of the teacher for a purpose described in subsection (c).

(b) Upon a written request from a beneficiary of the Indiana state teachers' retirement fund, a governing body may receive a given amount of money for a purpose described in subsection (c).

(c) The governing body shall hold the amounts described in subsections (a) and (b) and pay the amounts, as requested by the teacher or the beneficiary, to an insurance company or other agency or organization in Indiana that provides, extends, supervises, or pays for:

(1) insurance or other protection; or

(2) the establishment of or payment on an annuity account;

for the teacher. If a dividend accrues on a policy, the dividend shall be paid or credited to the teacher.

(d) If less than twenty percent (20%) of the teachers employed by a governing body request payment of the amounts described in subsection (c) to a single recipient, withholding the amounts of money for insurance, dues, or other purposes is discretionary with the governing body.

Sec. 19. (a) If a governing body of a school corporation agrees to a retirement, savings, or severance pay plan with a teacher or with an exclusive representative under IC 20-29, the benefits may be paid to:

(1) the teacher who is eligible under a negotiated retirement,

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savings, or severance pay plan; or

(2) in the case of the teacher's death:

(A) the teacher's designated beneficiary; or

(B) the teacher's estate, if there is no designated beneficiary.

Payments may be made in a lump sum or in installments as agreed upon by the parties or to a savings plan established under IC 5-10-1.1-1(2).

(b) Notwithstanding IC 6-1.1-20, the payments under this section shall be made from the general fund of the school corporation and may be made for a period exceeding one (1) year.

Sec. 20. A teacher who is employed by a school corporation that provides a health insurance plan for its employees may participate in the health insurance plan upon retirement under IC 5-10-8.

Sec. 21. (a) This section and sections 22 through 23 of this chapter apply to the suspension of a teacher without pay when the procedure for the cancellation of the teacher's contract under IC 20-28-7-3 through IC 20-28-7-5 do not apply.

(b) A teacher may be suspended from duty without pay only for the following reasons:

(1) Immorality.

(2) Insubordination, which means the willful refusal to obey the state school laws or reasonable rules prescribed for the government of the school corporation.

(3) Neglect of duty.

(4) Substantial inability to perform teaching duties.

(5) Good and just cause.

Sec. 22. A teacher may be suspended without pay only under the following procedure:

(1) The teacher must be notified in writing not more than forty (40) days and not less than thirty (30) days before the date of the consideration of the date, time, and place for the consideration by the school corporation of the suspension of the teacher without pay.

(2) The teacher shall be furnished, not later than five (5) days after a written request, a written statement of the reasons for the consideration.

(3) The teacher may file a written request for a hearing not later than fifteen (15) days after receipt of the notice of this consideration.

(4) If a request for a hearing is filed, the teacher must be given a hearing before the governing body on a day not earlier than

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five (5) days after filing the request.

(5) The teacher must be given at least five (5) days notice of the date, time, and place of the hearing.

(6) At the hearing, the teacher is entitled:

(A) to a full statement of the reasons for the proposed suspension without pay; and

(B) to be heard and to present the testimony of witnesses and other evidence bearing on the reasons for the proposed suspension without pay.

(7) A teacher may not be suspended without pay until:

(A) the date is set for consideration of the suspension without pay;

(B) after a hearing is held, if a hearing is requested by the teacher; and

(C) except on the suspension of a superintendent's contract, the superintendent has given recommendations on the suspension not later than five (5) days after the school corporation makes the request for recommendations.

(8) After complying with this section, the governing body of the school corporation may suspend a teacher without pay for a reasonable time by a majority vote evidenced by a signed statement in the minutes of the board.

The vote to suspend a teacher without pay described in subdivision (8) must be taken by the governing body on the date and at the time and place specified in subdivision (1).

Sec. 23. The governing body may appoint an agent (who is not an employee of the school corporation but who may be a member of the governing body or an attorney retained to administer the hearing proceedings under this section) to issue subpoenas for the attendance of witnesses for either party at the hearing under section 22 of this chapter. A subpoena issued under this section shall be:

(1) served by the party who seeks to compel the attendance of a witness; and

(2) upon application to the court by the party, enforced in the manner provided by law for the service and enforcement of subpoenas in a civil action.

Sec. 24. (a) This section applies to an examination that is required for teacher licensure under this chapter.

(b) If an individual does not demonstrate the level of proficiency required to receive a license on all or a part of an examination, the

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examination's scorer must provide the individual with the individual's test scores, including subscores for each area tested.

Chapter 10. Conditions of Employment

Sec. 1. (a) A school corporation may grant a teacher a leave of absence not to exceed one (1) year for:

(1) a sabbatical;

(2) a disability leave; or

(3) a sick leave.

(b) The school corporation may grant consecutive leaves to a teacher.

(c) A school corporation may grant partial compensation for a leave in an amount the school corporation determines. However, if a teacher on a sabbatical serves an employer that agrees to reimburse the school corporation in whole or in part of the amount of the teacher's regular salary, the school corporation may grant full or partial compensation.

(d) A teacher who is pregnant shall be granted a leave of absence for the period provided in and subject to section 5 of this chapter.

(e) Except where a contract is not required under IC 20-28-7 in a situation that occurs before or after the commencement of leave, the teacher and the school corporation shall execute a regular teacher's contract for each school year in which any part of the teacher's leave is granted.

(f) The teacher has the right to return to a teaching position for which the teacher is certified or otherwise qualified under the rules of the state board.

Sec. 2. (a) Except as provided in section 1 of this chapter, rights existing at the time a leave commences that arise from a teacher's:

(1) status as a permanent teacher;

(2) accumulation of successive years of service;

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

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

remain intact.

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

(c) During a leave extending into a part of a school year, a

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

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

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

Sec. 3. (a) A school corporation may grant a teacher, on written request, a sabbatical for improvement of professional skills through:

(1) advanced study;

(2) work experience;

(3) teacher exchange programs; or

(4) approved educational travel.

(b) After taking a sabbatical, the teacher shall return for a length of time equal to that of the sabbatical leave.

Sec. 4. (a) A school corporation may place a teacher, with or without written request, on a disability or sick leave not to exceed one (1) year.

(b) A teacher placed on a disability or sick leave without a written request is entitled to a hearing on that action under IC 20-28-7-1 and IC 20-28-7-3 through IC 20-28-7-5.

Sec. 5. (a) A teacher who is pregnant may continue in active employment as late into pregnancy as the teacher wishes, if the teacher can fulfill the requirements of the teacher's position.

(b) Temporary disability caused by pregnancy is governed by the following:

(1) A teacher who is pregnant shall be granted a leave of absence any time between the commencement of the teacher's

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pregnancy and one (1) year following the birth of the child, if the teacher notifies the superintendent at least thirty (30) days before the date on which the teacher wishes to start the leave. The teacher shall notify the superintendent of the expected length of this leave, including with this notice either:

(A) a physician's statement certifying the teacher's pregnancy; or

(B) a copy of the birth certificate of the newborn;

whichever is applicable. However, in the case of a medical emergency caused by pregnancy, the teacher shall be granted a leave, as otherwise provided in this section, immediately on the teacher's request and the certification of the emergency from an attending physician.

(2) All or part of a leave taken by a teacher because of a temporary disability caused by pregnancy may be charged, at the teacher's discretion, to the teacher's available sick days. However, the teacher is not entitled to take accumulated sick days when the teacher's physician certifies that the teacher is capable of performing the teacher's regular teaching duties. The teacher is entitled to complete the remaining leave without pay. However, the teacher may receive compensation for the pregnancy leave under a collective bargaining agreement or, if the teacher is not represented by an exclusive representative, by governing body policy.

Sec. 6. (a) This section and sections 7 through 11 of this chapter apply to a teacher who through:

(1) volunteering; or

(2) statutory selection;

enters defense service on a full-time basis.

(b) Because the United States Congress has decreed that it is imperative to increase and train United States armed forces personnel, this section and sections 7 through 11 of this chapter:

(1) provide protection for teachers who have been called to leave their positions to defend the nation due to the necessity of war or a state of emergency;

(2) preserve the status and contract rights under the laws to any teacher who enters the defense service; and

(3) place those teachers in a position that the defense service does not operate as an interruption of teaching service because the contract rights that each teacher had when entering the defense service are preserved during that service the same as if the teacher had not entered the service.

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Sec. 7. A permanent teacher:

(1) with an indefinite contract under IC 20-28-6-8; and

(2) who is described in section 6(a) of this chapter;

is granted a leave of absence during the defense service.

Sec. 8. (a) If a nonpermanent teacher who is described in section 6(a) of this chapter enters the defense service, the teacher's contract as a teacher and the teacher's rights to probationary successive years under contract are preserved with the school corporation as the teacher had them when entering the defense service.

(b) The period of probationary successive years of service under a teacher's contract that is a condition precedent to becoming a permanent teacher under IC 20-28-6-8 is considered uninterrupted for a teacher to whom this section applies. However, this probationary period may not include the time spent in defense service. The teacher is granted a leave of absence during the defense service.

Sec. 9. On reinstatement, the status of the teacher described in section 6(a) of this chapter is the same as when the teacher entered the defense service. All rights to changes of salary or position, except as specified in section 8 of this chapter, accrue to the teacher as if no interruption had occurred.

Sec. 10. (a) A teacher described in section 6(a) of this chapter retains the teacher's contractual rights in the Indiana state teachers' retirement fund.

(b) Contributions and payments into the retirement fund shall be made in the same manner as they are made for a member of the fund who is granted a leave of absence under the law pertaining to that fund.

(c) The teacher is granted a leave of absence during the defense service.

Sec. 11. (a) Not later than sixty (60) days after:

(1) an honorable or medical discharge; or

(2) release from active participation in the defense service;

a teacher who has received a leave of absence for defense service shall return to the school corporation for reinstatement. The school corporation shall then reinstate the teacher.

(b) If the teacher is unable to return for reinstatement within the sixty (60) day period for any reason arising from mental or physical disability, the teacher has sixty (60) days after the date of removal of the disability to apply for reinstatement.

(c) On reinstatement or on written resignation submitted to the

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school corporation, the teacher's leave of absence and defense service is considered terminated.

Sec. 12. A governing body or the governing body's agent may not make or enforce a rule or regulation concerning the employment of teachers that discriminates because of marital status.

Sec. 13. (a) A governing body may not adopt residence requirements for teachers or other school employees in the governing body's employment, assignment, or reassignment for services in a prescribed area.

(b) A school corporation that violates subsection (a) is ineligible for state funds under all enactments regarding that subject. The state superintendent and other state officials shall administer the funds accordingly on the submission of sworn proof of the existence of the discriminatory residence requirements.

Sec. 14. (a) A school corporation may not dismiss or suspend any employee because of affiliation with or activity in an organization unless that organization advocates:

(1) the overthrow of the United States government by:

(A) force; or

(B) the use of violence; or

(2) the violation of law;

to achieve its objective.

(b) A rule or regulation contrary to subsection (a) is void.

Sec. 15. A governing body may not dismiss, suspend, or enforce a mandatory leave of absence on a teacher who is a candidate for public office unless evidence is submitted to the governing body that would substantiate a finding that the teacher's activity has:

(1) impaired the teacher's effectiveness in the teacher's service; or

(2) interfered with the performance of the teacher's contractual obligations.

A suspension is valid only during the period of the impairing activity.

Sec. 16. (a) If a teacher serves in the general assembly, the teacher shall be given credit for the time spent in this service, including the time spent for council or committee meetings. The leave for this service does not diminish the teacher's rights under the Indiana state teachers' retirement fund or the teacher's advancement on the state or a local salary schedule. For these purposes, the teacher is, despite the leave, considered teaching for the school during that time.

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(b) The compensation received while serving in the general assembly shall be included for teachers retiring after June 30, 1980, in the determination of the teacher's annual compensation to compute the teacher's retirement benefit under IC 5-10.2-4. A teacher serving in the general assembly may choose to have deductions made from the teacher's salary as a legislator for contributions under either IC 21-6.1-4-9 or IC 5-10.3-7-9.

Sec. 17. (a) Except as provided in IC 31-32-11-1, a school counselor is immune from disclosing privileged or confidential communication made to the counselor as a counselor by a student.

(b) Except as provided in IC 31-32-11-1, the matters communicated are privileged and protected against disclosure.

Sec. 18. A teacher whose rights and privileges under sections 14 through 17 of this chapter are or are about to be infringed by a rule or regulation may, in accord with the law governing injunctions, seek to enjoin the school corporation from the infringement. A circuit or superior court shall issue the injunction if the court finds an infringement.

Sec. 19. (a) Each governing body and its administrators shall arrange each teacher's daily working schedule to provide at least thirty (30) minutes between 10 a.m. and 2 p.m. for a period free of duties.

(b) The state superintendent shall report each failure to comply with subsection (a) to the state board, which shall immediately inform the governing body of each alleged violation.

(c) If the school corporation persistently fails or refuses to comply with subsection (a) for one (1) year, the state board shall:

(1) lower the grade of accreditation of the school corporation; and

(2) publish notice of that action in at least one (1) newspaper published in the county.

Chapter 11. Staff Performance Evaluation

Sec. 1. As used in this chapter, "plan" refers to a staff performance evaluation plan developed under this chapter.

Sec. 2. Each:

(1) school corporation;

(2) school created by an interlocal agreement under IC 36-1-7;

(3) special education cooperative under IC 20-35-5; and

(4) cooperating school corporation for vocational education under IC 20-37-1;

shall develop and implement a plan to evaluate the performance of

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

Sec. 3. Each plan:

(1) must provide for the improvement of the performance of the individuals evaluated;

(2) must provide for the growth and development of the individuals evaluated;

(3) must require periodic assessment of the effectiveness of the plan;

(4) must provide that nonpermanent and semipermanent teachers receive:

(A) an evaluation on or before December 31 each year; and

(B) if requested by that teacher, an additional evaluation on or before March 1 of the following year; and

(5) may provide a basis for making employment decisions.

However, the plan may not provide for an evaluation that is based in whole or in part on the ISTEP program test scores of the students in the school corporation.

Sec. 4. Development and implementation of a plan is a condition of accreditation under IC 20-19-2-8(a)(5).

Sec. 5. Each plan must be approved by the department. However, if an entity listed in section 2 of this chapter submits a plan to the department that complies with the requirements set out in section 3 of this chapter, the department must approve that plan.

Sec. 6. The department shall do the following:

(1) Establish guidelines for the development and implementation of the plan, including guidelines:

(A) for the evaluation of employees within each professional licensing category;

(B) providing for periodic review of the performance of each certificated employee by the appropriate supervisor using a wide range of indicators that deal with the substance and process of the employee's duties; and

(C) requiring the preparation of a developmental plan for each certificated employee addressing that employee's job related strengths and weaknesses and methods of improving those strengths and eliminating those weaknesses.

(2) Provide technical assistance to each school corporation in the development and implementation of the plan.

(3) Collect and disseminate information concerning local, state, and national staff performance evaluation plans.

(4) Assist each school corporation in training staff evaluators.

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Sec. 7. The state board shall adopt rules under IC 4-22-2 to carry out this chapter.

Sec. 8. This chapter does not limit the rights of a school corporation and the exclusive representative who:

(1) before July 1, 1987; and

(2) through bargaining under IC 20-7.5 (before its repeal);

included in the employment contracts of certificated employees a system for the periodic evaluation of certificated employees.

Chapter 12. Endorsement for Independent Practice School Psychologists

Sec. 1. This chapter does not apply to a psychologist who is licensed under IC 25-33.

Sec. 2. In order to:

(1) practice school psychology; and

(2) receive an endorsement as an independent practice school psychologist;

a school psychologist must comply with this chapter.

Sec. 3. An individual who applies for an endorsement as an independent practice school psychologist must meet the following requirements:

(1) Be licensed as a school psychologist by the board.

(2) Be employed by a:

(A) developmental center;

(B) state hospital;

(C) public or private hospital;

(D) mental health center;

(E) rehabilitation center;

(F) private school; or

(G) public school;

at least thirty (30) hours per week during the contract period unless the individual is retired from full-time or part-time employment as a school psychologist or the individual has a medical condition or physical disability that restricts the mobility required for employment in a school setting.

(3) Furnish satisfactory evidence to the board that the applicant has received at least a sixty (60) semester hour master's or specialist degree in school psychology from:

(A) a recognized institution of higher learning; or

(B) an educational institution not located in the United States that has a program of study that meets the standards of the board.

(4) Furnish satisfactory evidence to the board that the

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applicant has demonstrated graduate level competency through the successful completion of course work and a practicum in the areas of assessment and counseling.

(5) Furnish satisfactory evidence to the board that the applicant has at least one thousand two hundred (1,200) hours of school psychology experience beyond the master's degree level. At least six hundred (600) hours must be in a school setting under the supervision of any of the following:

(A) A physician licensed under IC 25-22.5.

(B) A psychologist licensed under IC 25-33.

(C) A school psychologist endorsed under this chapter.

(6) Furnish satisfactory evidence to the board that the applicant has completed, in addition to the requirements in subdivision (5), at least four hundred (400) hours of supervised experience in identification and referral of mental and behavioral disorders, including at least one (1) hour each week of direct personal supervision by a:

(A) physician licensed under IC 25-22.5;

(B) psychologist licensed under IC 25-33; or

(C) school psychologist endorsed under this chapter;

with at least ten (10) hours of direct personal supervision.

(7) Furnish satisfactory evidence to the board that the applicant has completed, in addition to the requirements of subdivisions (5) and (6), fifty-two (52) hours of supervision with a physician licensed under IC 25-22.5, a psychologist licensed under IC 25-33, or a school psychologist endorsed under this chapter that meets the following requirements:

(A) The fifty-two (52) hours must be completed within at least twenty-four (24) consecutive months but not less than twelve (12) months.

(B) Not more than one (1) hour of supervision may be included in the total for each week.

(C) At least nine hundred (900) hours of direct client contact must take place during the total period under clause (A).

(8) Furnish satisfactory evidence to the board that the applicant does not have a conviction for a crime that has a direct bearing on the applicant's ability to practice competently.

(9) Furnish satisfactory evidence to the board that the applicant has not been the subject of a disciplinary action by a licensing or certification agency of any jurisdiction on the

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grounds that the applicant was not able to practice as a school psychologist without endangering the public.

(10) Pass the examination provided by the board.

Sec. 4. (a) A school psychologist who is not employed or excused from employment as described in section 3(2) of this chapter may not provide services on a private basis to an individual unless the school psychologist receives a referral from one (1) of the following:

(1) A developmental center.

(2) A public school or private school.

(3) A physician licensed under IC 25-22.5.

(4) A health service professional in psychology licensed under IC 25-33-1.

(b) A school psychologist who is endorsed under this chapter may not provide services on a private basis to a student:

(1) who attends a school (including a nonpublic school) to which the school psychologist is assigned; or

(2) whom the school psychologist would normally be expected to serve.

Sec. 5. A school psychologist who is endorsed under this chapter may not disclose any information acquired from persons with whom the school psychologist has dealt in a professional capacity, except under the following circumstances:

(1) Trials for homicide when the disclosure relates directly to the fact or immediate circumstances of the homicide.

(2) Proceedings:

(A) to determine mental competency; or

(B) in which a defense of mental incompetency is raised.

(3) Civil or criminal actions against a school psychologist for malpractice.

(4) Upon an issue as to the validity of a document.

(5) If the school psychologist has the express consent of the client or, in the case of a client's death or disability, the express consent of the client's legal representative.

(6) Circumstances under which privileged communication is lawfully invalidated.

SECTION 13. IC 20-29 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

ARTICLE 29. COLLECTIVE BARGAINING FOR TEACHERS

Chapter 1. Findings and Intent

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Sec. 1. The general assembly declares the following:

(1) The citizens of Indiana have a fundamental interest in the development of harmonious and cooperative relationships between school corporations and their certificated employees.

(2) Recognition by school employers of the right of school employees to organize and acceptance of the principle and procedure of collective bargaining between school employers and school employee organizations can alleviate various forms of strife and unrest.

(3) The state has a basic obligation to protect the public by attempting to prevent any material interference with the normal public school educational process.

(4) The relationship between school corporation employers and certificated school employees is not comparable to the relationship between private employers and employees for the following reasons:

(A) A public school corporation is not operated for profit but to ensure the citizens of Indiana rights guaranteed them by the Constitution of the State of Indiana.

(B) The obligation to educate children and the methods by which the education is effected will change rapidly with:

(i) increasing technology;

(ii) the needs of an advancing civilization; and

(iii) requirements for substantial educational innovation.

(C) The general assembly has delegated the discretion to carry out this changing and innovative educational function to the governing bodies of school corporations, composed of citizens elected or appointed under applicable law, a delegation that these bodies may not and should not bargain away.

(D) Public school corporations have different obligations concerning certificated school employees under constitutional and statutory requirements than private employers have to their employees.

Chapter 2. Definitions

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

Sec. 2. "Bargain collectively" means the performance of the mutual obligation of the school employer and the exclusive representative to:

(1) meet at reasonable times to negotiate in good faith concerning the items enumerated in IC 20-29-6-4; and

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(2) execute a written contract incorporating any agreement relating to the matters described in subdivision (1).

Sec. 3. "Board" refers to the Indiana education employment relations board established by IC 20-29-3-1.

Sec. 4. "Certificated employee" means a person:

(1) whose contract with the school corporation requires that the person hold a license or permit from the professional standards board under IC 20-28; or

(2) who is employed as a teacher by a charter school established under IC 20-24.

Sec. 5. "Confidential employee" means a school employee whose:

(1) unrestricted access to confidential personnel files; or

(2) functional responsibilities or knowledge in connection with the issues involved in dealings between the school corporation and its employees;

makes the school employee's membership in a school employee organization incompatible with the school employee's official duties.

Sec. 6. "Deficit financing" for a budget year means expenditures exceeding the money legally available to the employer.

Sec. 7. "Discuss" means the performance of the mutual obligation of the school corporation through its superintendent and the exclusive representative to meet at reasonable times to:

(1) discuss;

(2) provide meaningful input; or

(3) exchange points of view;

with respect to items enumerated in IC 20-29-6-7.

Sec. 8. "Employees performing security work" means a school employee:

(1) whose primary responsibility is the protection of personal and real property owned or leased by the school corporation; or

(2) who performs police or quasi-police powers.

Sec. 9. "Exclusive representative" means the:

(1) school employee organization that has been:

(A) certified for purposes of this article by the board; or

(B) recognized by a school employer as the exclusive representative of the employees in an appropriate unit;

under IC 20-29-5-1 through IC 20-29-5-5; or

(2) person or persons authorized to act on behalf of a representative described in subdivision (1).

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Sec. 10. "Governing body" means:

(1) a township trustee and the township board of a school township;

(2) a county board of education;

(3) a board of school commissioners;

(4) a metropolitan board of education;

(5) a board of trustees;

(6) any other board or commission charged by law with the responsibility of administering the affairs of a school corporation; or

(7) the body that administers a charter school established under IC 20-24.

Sec. 11. "Noncertificated employee" means a school employee whose employment is not dependent on the holding of a license or permit under IC 20-28.

Sec. 12. "School corporation" means a local public school corporation established under Indiana law. The term includes any:

(1) school city;

(2) school town;

(3) school township;

(4) consolidated school corporation;

(5) metropolitan school district;

(6) township school corporation;

(7) county school corporation;

(8) united school corporation;

(9) community school corporation; and

(10) public vocational school or school for children with disabilities established or maintained by two (2) or more school corporations.

Sec. 13. "School employee" means a full-time certificated person in the employment of the school employer. A school employee is considered full time even though the employee does not work during school vacation periods and accordingly works less than a full year. The term does not include:

(1) supervisors;

(2) confidential employees;

(3) employees performing security work; and

(4) noncertificated employees.

Sec. 14. "School employee organization" means an organization that:

(1) has school employees as members; and

(2) as one (1) of its primary purposes, represents school

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employees in dealing with their school employer.

The term includes a person or persons authorized to act on behalf of the organization.

Sec. 15. "School employer" means:

(1) the governing body of each:

(A) school corporation; or

(B) charter school established under IC 20-24; and

(2) a person or persons authorized to act for the governing body of the school employer in dealing with its employees.

Sec 16. "Strike" means:

(1) concerted failure to report for duty;

(2) willful absence from one's position;

(3) stoppage of work; or

(4) abstinence in whole or in part from the full, faithful, and proper performance of the duties of employment;

without the lawful approval of the school employer or in any concerted manner interfering with the operation of the school employer for any purpose.

Sec. 17. "Submission date" means the first date for the legal notice and publication of the budget of a school corporation under IC 6-1.1-17-3.

Sec. 18. "Superintendent" means:

(1) the chief administrative officer of a:

(A) school corporation; or

(B) charter school established under IC 20-24; or

(2) a person or persons designated by the officer or by the governing body to act in the officer's behalf in dealing with school employees.

Sec. 19. "Supervisor" means an individual who has:

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

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

(3) responsibility to effectively recommend the action described in subdivisions (1) through (2);

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

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Chapter 3. Indiana Education Employment Relations Board

Sec. 1. The Indiana education employment relations board is established.

Sec. 2. The board consists of three (3) members appointed by the governor to serve at the governor's pleasure.

Sec. 3. The governor shall designate one (1) member of the board to serve as chairperson.

Sec. 4. Not more than two (2) members of the board may be members of the same political party.

Sec. 5. Each member of the board is appointed for a term of four (4) years. A member appointed to fill a vacancy is appointed for the unexpired term of the member whom the appointed member is to succeed.

Sec. 6. Members may not:

(1) hold:

(A) another public office; or

(B) employment by the state, a public agency, or a public employer;

(2) be an officer or employee of a school employee organization or any affiliate of an organization; or

(3) represent a:

(A) school employer; or

(B) school employee organization, or an organization's affiliates.

Sec. 7. Section 6 of this chapter does not apply to an individual on the teaching staff of a university who is knowledgeable in public administration or labor law if the individual is not actively engaged, other than as a member, with any labor or employee organization. This section shall be construed liberally to effectuate the intent of the general assembly.

Sec. 8. The chairperson of the board shall give full time to the chairperson's duties and may not engage in any other business, vocation, or employment.

Sec. 9. The members of the board (other than the chairperson) receive as compensation payment equal to that of the chairperson, computed on a daily rate and paid for every day actually spent serving on the board.

Sec. 10. Two (2) members of the board constitute a quorum.

Sec. 11. The board has the following powers:

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

(2) To hold hearings and make inquiries as the board

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considers necessary to carry out properly the board's functions and powers.

(3) To establish a principal office in Indianapolis.

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

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

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

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

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

(A) appear before the board; and

(B) produce evidence about the matter under investigation.

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

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

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

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

Sec. 12. The board shall organize the board's staff to provide for the functions of:

(1) unit determination;

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(2) unfair labor practice processing;

(3) conciliation and mediation;

(4) factfinding; and

(5) research.

Sec. 13. In connection with conciliation and mediation or factfinding, the board may:

(1) use full-time employees; or

(2) appoint employees for specific cases from a panel the board establishes.

Sec. 14. The board's research division must be organized to provide:

(1) statistical data on the resources of each school corporation;

(2) the substance of any agreements reached by each school corporation; and

(3) other relevant data.

Chapter 4. Rights and Responsibilities of School Employees and Employers

Sec. 1. School employees may:

(1) form, join, or assist school employee organizations;

(2) participate in collective bargaining with school employers through representatives of their own choosing; and

(3) engage in other activities, individually or in concert;

to establish, maintain, or improve salaries, wages, hours, salary and wage related fringe benefits, and other matters set forth in IC 20-29-6-4, IC 20-29-6-5, and IC 20-29-6-7.

Sec. 2. (a) A school employee may not be required to join or financially support through the payment of:

(1) fair share fees;

(2) representation fees;

(3) professional fees; or

(4) other fees;

a school employee organization.

(b) A rule, regulation, or contract provision requiring financial support from a school employee to a school employee organization is void.

Sec. 3. School employers have the responsibility and authority to manage and direct on behalf of the public the operations and activities of the school corporation to the full extent authorized by law, including but not limited to the following:

(1) Direct the work of the school employer's employees.

(2) Establish policy through procedures established in

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IC 20-29-6-4, IC 20-29-6-5, and IC 20-29-6-7.

(3) Hire, promote, demote, transfer, assign, and retain employees through procedures established in IC 20-29-6-4, IC 20-29-6-5, and IC 20-29-6-7.

(4) Suspend or discharge employees in accordance with applicable law through procedures established in IC 20-29-6-4, IC 20-29-6-5, and IC 20-29-6-7.

(5) Maintain the efficiency of school operations.

(6) Relieve employees from duties because of lack of work or other legitimate reason through procedures established in IC 20-29-6-4, IC 20-29-6-5, and IC 20-29-6-7.

(7) Take actions necessary to carry out the mission of the public schools as provided by law.

Chapter 5. Units and Exclusive Representatives

Sec. 1. (a) The exclusive representative shall serve for school employees within certain groups referred to in this chapter as units or bargaining units. A bargaining unit may not contain both certificated and noncertificated employees. Subject to this limitation, the units for which an exclusive representative serves are determined in accordance with subsections (b) through (d).

(b) The parties may agree on the appropriate unit. For this purpose, the parties consist of the school employer and a school employee organization representing at least twenty percent (20%) of the school employees in a proposed unit.

(c) If the parties do not reach an agreement on the appropriate unit, or if a school employee in the proposed unit files a complaint about the unit with the board, the board shall determine the proper unit after a hearing. The board's decision must be based on but not limited to the following considerations:

(1) Efficient administration of school operations.

(2) The existence of a community of interest among school employees.

(3) The effects on the school corporation and school employees of fragmentation of units.

(4) Recommendations of the parties involved.

(d) In making a determination under subsection (c), the board shall give notice to all interested parties in accordance with the rules of the board. In giving notice under this subsection, the board is not required to follow IC 4-21.5.

Sec. 2. (a) A school employer may recognize as the exclusive representative of the school employer's employees within an appropriate unit a school employee organization that presents to

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the employer evidence of the school employee organization's representation of a majority of the school employees within the unit, unless:

(1) another school employee organization representing twenty percent (20%) of the school employees within the unit files written objections to the recognition; or

(2) a school employee files a complaint to the composition of the unit with the school employer or the board within the notice period set forth in this section.

(b) Before recognizing an exclusive representative under this section, the school employer shall post a written public notice of the school employer's intention to recognize the school employee organization as exclusive representative of the school employees within the unit. The notice must be posted, for thirty (30) calendar days immediately preceding recognition, in each of the buildings where the school employees in any unit principally work.

Sec. 3. (a) If an exclusive school employee organization is not determined under section 2 of this chapter, the determination of whether a school employee organization shall be the exclusive representative shall be determined under this section.

(b) A school employee organization may file a petition asserting that:

(1) twenty percent (20%) of the employees in an appropriate unit wish to be represented for collective bargaining by the school employee organization as exclusive representative; or

(2) the designated exclusive representative is no longer the representative of the majority of school employees in the unit.

(c) The school employer may file a petition asserting that:

(1) that one (1) or more school employee organizations have presented to the school employer a claim to be recognized as the exclusive representative in an appropriate unit; or

(2) that the school employer has good faith doubt that the previously certified school employee organization represents a majority of employees in the bargaining unit.

(d) Twenty percent (20%) of the school employees in a unit may file a petition asserting that the designated exclusive representative is no longer the representative of the majority of school employees in the unit.

(e) The board shall investigate a petition filed under subsection (b), (c), or (d). If the board has reasonable cause to believe that a question exists as to whether the designated exclusive representative or any school employee organization represents a

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majority of the school employees in a unit, the board shall provide for an appropriate hearing within thirty (30) days. In holding a hearing, the board is not required to comply with IC 4-21.5.

(f) If the board finds, based on the record of a hearing held under subsection (e), that a question of representation exists, the board shall direct an election by secret ballot in a unit the board determines to be appropriate.

(g) Certification as the exclusive representative may be granted only to a school employee organization that has been selected in a secret ballot election under subsection (f), by a majority of all the employees in an appropriate unit as their representative.

(h) An election described in subsection (f) may not be held in a bargaining unit if a valid election has been held in the preceding twenty-four (24) month period.

Sec. 4. In any election under this chapter, the board shall:

(1) determine who is eligible to vote in the election; and

(2) establish rules governing the election.

Sec. 5. The ballot in an election under this chapter must contain the following:

(1) The name of the petitioning school employee organization.

(2) The names of any other school employee organization showing written evidence satisfactory to the board of at least twenty percent (20%) representation of the school employees within the unit.

(3) A provision for choosing "No representation by a school employee organization.".

Sec. 6. (a) The school employer shall, on receipt of the written authorization of a school employee:

(1) deduct from the pay of the employee any dues designated or certified by the appropriate officer of a school employee organization that is an exclusive representative of any employees of the school employer; and

(2) remit the dues described in subdivision (1) to the school employee organization.

(b) Deductions under this section must be consistent with:

(1) IC 22-2-6;

(2) IC 22-2-7; and

(3) IC 20-28-9-18.

Chapter 6. Collective Bargaining

Sec. 1. School employers and school employees shall:

(1) have the obligation and the right to bargain collectively the items set forth in section 4 of this chapter;

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(2) have the right and obligation to discuss any item set forth in section 7 of this chapter; and

(3) enter into a contract embodying any of the matters on which they have bargained collectively.

Sec. 2. A contract entered into under this chapter may not include provisions that conflict with:

(1) any right or benefit established by federal or state law;

(2) school employee rights set forth in IC 20-29-4-1 and IC 20-29-4-2; or

(3) school employer rights set forth in IC 20-29-4-3.

Sec. 3. (a) It is unlawful for a school employer to enter into any agreement that would place the employer in a position of deficit financing.

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

Sec. 4. A school employer shall bargain collectively with the exclusive representative on the following:

(1) Salary.

(2) Wages.

(3) Hours.

(4) Salary and wage related fringe benefits, including accident, sickness, health, dental, or other benefits under IC 20-26-5-4 that were subjects of bargaining on July 1, 2001.

Sec. 5. A contract entered into under this chapter may contain a grievance procedure culminating in final and binding arbitration of unresolved grievances. However, the binding arbitration has no power to amend, add to, subtract from, or supplement provisions of the contract.

Sec. 6. The obligation to bargain collectively does not include the final approval of a contract concerning any items. Agreements reached through collective bargaining are binding as a contract only if ratified by the governing body of the school corporation and the exclusive representative. The obligation to bargain collectively does not require the school employer or the exclusive representative to agree to a proposal of the other or to make a concession to the other.

Sec. 7. (a) A school employer shall discuss with the exclusive representative of certificated employees the items listed in subsection (b).

(b) A school employer may but is not required to bargain collectively, negotiate, or enter into a written contract concerning,

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be subject to, or enter into impasse procedures on the following matters:

(1) Working conditions, other than those provided in section 4 of this chapter.

(2) Curriculum development and revision.

(3) Textbook selection.

(4) Teaching methods.

(5) Hiring, promotion, demotion, transfer, assignment, and retention of certificated employees, and changes to any of the requirements set forth in IC 20-28-6 through IC 20-28-8.

(6) Student discipline.

(7) Expulsion or supervision of students.

(8) Pupil/teacher ratio.

(9) Class size or budget appropriations.

(c) Items included in the 1972-1973 agreements between an employer school corporation and the school employee organization continue to be bargainable.

Sec. 8. The obligation to discuss does not require either party to enter into a contract, agree to a proposal, or make a concession. A failure to reach an agreement on a matter of discussion does not require the use of any part of the impasse procedure under IC 20-29-8.

Sec. 9. The obligation to bargain collectively or discuss a matter does not prevent:

(1) a school employee from petitioning the school employer, governing body, or superintendent for a redress of the employee's grievances, either individually or through the exclusive representative; or

(2) the school employer or superintendent from conferring with a citizen, taxpayer, student, school employee, or other person considering the operation of the schools and the school corporation.

Sec. 10. Nothing shall prevent a superintendent or the superintendent's designee from making recommendations to the school employer.

Sec. 11. This chapter may not be construed to limit the rights of the school employer and the exclusive representative to mutually agree to the matters authorized under IC 20-28-7-13.

Sec. 12. Collective bargaining between a school corporation and the exclusive representative shall begin not later than one hundred eighty (180) days before the submission date of a budget by a school employer.

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Sec. 13. At any time after the one hundred eighty (180) days described in section 12 of this chapter has begun, the board shall appoint a mediator if either party declares an impasse either:

(1) in the scope of the items that are to be bargained collectively; or

(2) on the substance of any item to be bargained collectively.

If after five (5) days the mediator is unsuccessful in finding a solution to the problems or in causing the parties to reach agreement, either party may request the board to initiate factfinding on the items that the parties are obligated to bargain collectively.

Sec. 14. If an agreement has not been reached on the items to be bargained collectively seventy-five (75) days before the submission date of a budget by a school employer, the board shall initiate mediation.

Sec. 15. If an agreement has not been reached on the items to be bargained collectively forty-five (45) days before the submission date of a budget by a school employer, the board shall initiate factfinding.

Sec. 16. (a) If an agreement has not been reached on the items to be bargained collectively fourteen (14) days before the submission date of a budget by a school employer, the parties shall continue the status quo, and the school employer may issue tentative individual contracts and prepare its budget on that basis. During this status quo period, in order to allow the successful resolution of the dispute, the school employer may not unilaterally change the terms or conditions of employment that are issues in dispute.

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

Sec. 17. At any time after the one hundred eighty (180) days described in section 12 of this chapter has begun:

(1) either party may request mediation or factfinding on items; or

(2) the parties may act together to request mediation or factfinding on any items;

that must be bargained collectively under section 4 of this chapter.

Chapter 7. Unfair Practices

Sec. 1. It is an unfair practice for a school employer to do any of the following:

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(1) Interfere with, restrain, or coerce school employees in the exercise of the rights guaranteed in IC 20-29-4.

(2) Dominate, interfere, or assist in the formation or administration of any school employee organization or contribute financial or other support to the organization. Subject to rules adopted by the governing body, a school employer may permit school employees to confer with the school employer or with any school employee organization during working hours without loss of time or pay.

(3) Encourage or discourage membership in any school employee organization through discrimination in regard to:

(A) hiring;

(B) tenure of employment; or

(C) any term or condition of employment.

(4) Discharge or otherwise discriminate against a school employee because the employee has filed a complaint, affidavit, petition, or any information or testimony under this article.

(5) Refuse to:

(A) bargain collectively; or

(B) discuss;

with an exclusive representative as required by this article.

(6) Fail or refuse to comply with any provision of this article.

Sec. 2. It is an unfair practice for a school employee organization or the organization's agents to do any of the following:

(1) Interfere with, restrain, or coerce:

(A) school employees in the exercise of the rights guaranteed by this article; or

(B) a school employer in the selection of its representatives for the purpose of bargaining collectively, discussing, or adjusting grievances.

This subdivision does not impair the right of a school employee organization to adopt its own rules with respect to the acquisition or retention of membership in the school employee organization.

(2) Cause or attempt to cause a school employer to discriminate against an employee in violation of section 1 of this chapter.

(3) Refuse to bargain collectively with a school employer if the school employee organization is the exclusive representative.

(4) Fail or refuse to comply with any provision of this article.

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Sec. 3. This chapter does not in any way restrict the right of a:

(1) school employer; or

(2) school employee organization;

to bring suit for specific performance or breach of performance, or both, of a collective bargaining contract in any court having jurisdiction.

Sec. 4. (a) Unfair practices are remediable under this section.

(b) A school employer or a school employee who believes the employer or employee is aggrieved by an unfair practice may file a complaint under oath:

(1) setting out a summary of the facts involved; and

(2) specifying the section or sections of this article alleged to have been violated.

(c) The board shall:

(1) give notice to the person or school employee organization against whom the complaint is directed; and

(2) determine the matter raised in the complaint.

(d) Appeals may be taken under IC 4-21.5-3.

(e) A hearing examiner or agent of the board, who may be a member of the board, may:

(1) take testimony; and

(2) make findings and conclusions.

(f) The board, but not a hearing examiner or agent of the board, may enter the interlocutory orders, after summary hearing, the board considers necessary in carrying out the intent of this chapter.

Chapter 8. Impasse Procedures

Sec. 1. The purposes of mediation of disputes between school employers and exclusive representatives are the following:

(1) To delineate the problems involved in bargaining collectively.

(2) To find solutions that can reasonably be accepted by both parties.

(3) To determine common grounds, if any.

Sec. 2. The board shall establish and hire a:

(1) permanent staff of mediators; and

(2) panel of part-time mediators.

Sec. 3. When a mediator is requested or required under IC 20-29-6, the board shall appoint a mediator from the staff or panel established under section 2 of this chapter.

Sec. 4. The mediation process is confidential in nature. The mediator is not subject to the subpoena power of courts or other

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administrative agencies of the state regarding the subjects discussed as a part of the mediation process.

Sec. 5. The purpose of factfinding is to give a neutral advisory opinion whenever the parties are unable by themselves, or through a mediator, to resolve a dispute.

Sec. 6. (a) The board shall establish and hire a:

(1) permanent staff of factfinders; and

(2) panel of part-time factfinders.

(b) The persons described in subsection (a) may also be mediators.

Sec. 7. (a) When a factfinder is requested or required under IC 20-29-6, the board shall appoint a factfinder from the staff or panel established under section 6 of this chapter.

(b) The factfinder shall make an investigation and hold hearings as the factfinder considers necessary in connection with a dispute.

(c) The factfinder may restrict the factfinder's findings to those issues that the factfinder determines significant.

(d) The factfinder may use evidence furnished to the factfinder by:

(1) the parties;

(2) the board;

(3) the board's staff; or

(4) any other state agency.

(e) The factfinder shall make a recommendation as to the settlement of the disputes over which the factfinder has jurisdiction.

(f) The factfinder shall:

(1) make the investigation, hearing, and findings as expeditiously as the circumstances permit; and

(2) deliver the findings to the parties and to the board.

(g) The board, after receiving the findings and recommendations, may make additional findings and recommendations to the parties based on information in:

(1) the report; or

(2) the board's own possession.

(h) At any time within five (5) days after the findings and recommendations are delivered to the board, the board may make the findings and recommendations of the factfinder and the board's additional findings and recommendations, if any, available to the public through news media and other means the board considers effective.

(i) The board shall make the findings and recommendations

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described in subsection (h) available to the public not later than ten (10) days after the findings and recommendations are delivered to the board.

Sec. 8. In conducting hearings and investigations, the factfinder is not bound by IC 4-21.5. The factfinder shall, however, consider the following factors:

(1) Past memoranda of agreements and contracts between the parties.

(2) Comparisons of wages and hours of the employees involved with wages of other employees working for other public agencies and private concerns doing comparable work, giving consideration to factors peculiar to the school corporation.

(3) The public interest.

(4) The financial impact on the school corporation and whether any settlement will cause the school corporation to engage in deficit financing.

Sec. 9. The school employer and the exclusive representative may also at any time submit any issue in dispute to final and binding arbitration to an arbitrator appointed by the board. The award in the arbitration constitutes the final contract between the parties for the issue.

Sec. 10. A person who has served as a mediator in a dispute between a school employer and an exclusive representative may not serve as a factfinder or an arbitrator in a dispute arising in the same school corporation within a period of five (5) years except by the mutual consent of the parties.

Sec. 11. Mediators and factfinders may not be employed on a full-time or part-time basis by:

(1) a public school employer that is a school corporation; or

(2) an organization of:

(A) public employees; or

(B) public employers; or

(3) affiliates of an organization described in subdivision (2)(A) or (2)(B).

Sec. 12. The board shall pay the following:

(1) The compensation and expenses of any mediator or factfinder.

(2) The cost of an arbitrator, which shall be reimbursed equally by the two (2) parties under procedures for collection and payment established by the board.

Sec. 13. (a) The investigation, hearing, and findings of the

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factfinder must be:

(1) made as expeditiously as the circumstances allow; and

(2) delivered to the parties and to the board.

(b) The board, after receiving the findings and recommendations under subsection (a), may make additional findings and recommendations to the parties based upon information in the report or in the board's possession.

(c) The board:

(1) may, at any time within five (5) days; and

(2) shall, within ten (10) days;

after receiving the findings and recommendations delivered under subsection (a), make the findings and recommendations of the factfinder and the board's additional findings and recommendations, if any, available to the public through the news media and any other means.

Sec. 14. If a school employer issues tentative individual contracts, the board shall provide for further mediation and factfinding until an agreement is reached.

Chapter 9. Strikes

Sec. 1. It is unlawful for:

(1) a school employee;

(2) a school employee organization; or

(3) an affiliate, including state or national affiliates, of a school employee organization;

to take part in or assist in a strike against a school employer or school corporation.

Sec. 2. A school corporation or school employer may in:

(1) an action at law;

(2) a suit in equity; or

(3) another proper proceeding;

take action against a school employee organization, an affiliate of a school employee organization, or any person aiding or abetting in a strike for redress of the unlawful act.

Sec. 3. If an exclusive representative:

(1) engages in; or

(2) aids or abets in;

a strike, the exclusive representative shall lose the exclusive representative's dues deduction privilege for one (1) year.

Sec. 4. A regulation, rule, or law concerning the minimum length of a school year may not:

(1) apply; or

(2) require makeup days;

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if schools in a school corporation are closed as a result of a school employee strike.

Sec. 5. A school corporation shall not pay a school employee for any day when the school employee fails, as a result of a strike, to report for work as required by the school year calendar.

SECTION 14. IC 20-30 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

ARTICLE 30. CURRICULUM

Chapter 1. Applicability

Sec. 1. This article applies only to the following:

(1) Public schools.

(2) Nonpublic schools that voluntarily have become accredited under IC 20-19-2-8.

Chapter 2. Calendar

Sec. 1. As used in this chapter, "instructional time" is time during which students are participating in:

(1) an approved course;

(2) a curriculum; or

(3) an educationally related activity;

under the direction of a teacher, including a reasonable amount of passing time between classes. Instructional time does not include lunch or recess.

Sec. 2. A student instructional day in grades 1 through 6 consists of at least five (5) hours of instructional time. A student instructional day in grades 7 through 12 consists of at least six (6) hours of instructional time.

Sec. 3. For each school year, a school corporation shall conduct at least one hundred eighty (180) student instructional days. Not later than June 15 of each school year, the superintendent of each school corporation shall certify to the department the number of student instructional days conducted during that school year.

Sec. 4. If a school corporation fails to conduct the minimum number of student instructional days during a school year as required under section 3 of this chapter, the department shall reduce the August tuition support distribution to that school corporation for a school year by an amount determined as follows:

STEP ONE: Determine the remainder of:

(A) the amount of the total tuition support allocated to the school corporation for the particular school year; minus

(B) that part of the total tuition support allocated to the

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school corporation for that school year with respect to student instructional days one hundred seventy-six (176) through one hundred eighty (180).

STEP TWO: Subtract the number of student instructional days that the school corporation conducted from one hundred eighty (180).

STEP THREE: Determine the lesser of five (5) or the remainder determined under STEP TWO.

STEP FOUR: Divide the amount subtracted under STEP ONE(B) by five (5).

STEP FIVE: Multiply the quotient determined under STEP FOUR by the number determined under STEP THREE.

STEP SIX: Subtract the number determined under STEP THREE from the remainder determined under STEP TWO.

STEP SEVEN: Divide the remainder determined under STEP ONE by one hundred seventy-five (175).

STEP EIGHT: Multiply the quotient determined under STEP SEVEN by the remainder determined under STEP SIX.

STEP NINE: Add the product determined under STEP FIVE to the product determined under STEP EIGHT.

Sec. 5. The department may grant a waiver of the penalty imposed under section 4 of this chapter for a particular number of canceled student instructional days if:

(1) the school corporation applies to the department for a waiver of the penalty imposed under section 4 of this chapter for a specific number of canceled student instructional days; and

(2) each of the particular number of student instructional days requested to be waived under this section was canceled due to extraordinary circumstances.

Sec. 6. The department shall develop guidelines for school corporations to apply for a waiver under section 5 of this chapter.

Sec. 7. The minimum length for a school term is nine (9) months.

Chapter 3. Annual and Patriotic Observances

Sec. 1. (a) The last Friday of April is designated for general observance as Arbor Day to encourage the planting of shade and forest trees, shrubs, and vines.

(b) Each year the governor shall proclaim Arbor Day at least thirty (30) days before it occurs.

(c) Appropriate exercises giving due honor to:

(1) the conservators of forestry;

(2) the founders of the study and conservation of Indiana

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forestry; and

(3) a leading spirit of Indiana forestry conservation, Charles Warren Fairbanks;

may be prepared by each superintendent and conducted in each school and by communities throughout Indiana.

Sec. 2. The public schools shall appropriately observe the commemorations designated in IC 1-1-9 through IC 1-1-11.

Sec. 3. The state board shall:

(1) require the singing of the entire national anthem, "The Star Spangled Banner", in each school on all patriotic occasions; and

(2) arrange to supply the words and music in sufficient quantity for these purposes.

Sec. 4. (a) Each governing body shall procure a United States flag that is four (4) feet by six (6) feet for each school under the governing body's supervision.

(b) If weather conditions permit, each governing body shall require that the United States flag be displayed on every school under the governing body's control on every day the school is in session. If the flag is not displayed outdoors for any reason, the flag must be displayed in the principal room or assembly hall. Each governing body shall establish rules and regulations for the proper care, custody, and display of the flag.

(c) A person who violates subsection (b) commits a Class C infraction.

Chapter 4. Student Career Plan

Sec. 1. As used in this chapter, "student" refers to a student who is enrolled in a school corporation in at least grade 9.

Sec. 2. In consultation with the student's guidance counselor, after seeking consultation with each student's parents, and not later than the date on which the student completes grade 9, each student shall develop a career plan in which the student does the following:

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

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

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

(A) is entitled to graduate; and

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(B) will have taken at least the minimum variety and number of courses necessary to gain admittance to a state educational institution (as defined in IC 20-12-0.5-1).

Sec. 3. Any decisions regarding the requirements under this chapter for a student who is a child with a disability under IC 20-35 shall be made in accordance with the individualized education program for that student and federal law.

Sec. 4. A career plan may be modified after initial development. However, the modifications may not interfere with the assurances described in section 2(3) of this chapter.

Sec. 5. This chapter may not be construed to prevent a student who chooses a particular curriculum under IC 20-30-12 or IC 20-30-10 from including within the student's career plan individual courses or programs that:

(1) are not included within the student's chosen curriculum; and

(2) the student is otherwise eligible to take.

Chapter 5. Mandatory Curriculum

Sec. 1. (a) In each of grades 6 through 12, every public and nonpublic school shall provide instruction on the constitutions of:

(1) Indiana; and

(2) the United States.

(b) In public elementary schools, instruction on the constitutions shall be included as a part of American history. In public high schools, instruction on the constitutions shall be included as a part of civics or another course, as the state board may require by rules. Failure of any public school teacher or principal to comply with this requirement constitutes misconduct in office under IC 20-28-5-7.

(c) Each nonpublic elementary school and high school shall provide instruction under this section as required by the state board.

Sec. 2. (a) Each public and nonpublic high school shall provide a required course that is:

(1) not less than one (1) year of school work; and

(2) in the:

(A) historical;

(B) political;

(C) civic;

(D) sociological;

(E) economical; and

(F) philosophical;

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aspects of the constitutions of Indiana and the United States.

(b) The state board shall:

(1) prescribe the course described in this section and the course's appropriate outlines; and

(2) adopt the necessary textbooks for uniform instruction.

(c) A high school student may not receive a diploma unless the student has successfully completed the interdisciplinary course described in this section.

Sec. 3. (a) This section applies to the following writings, documents, and records:

(1) The Constitution of the United States.

(2) The national motto.

(3) The national anthem.

(4) The Pledge of Allegiance.

(5) The Constitution of the State of Indiana.

(6) The Declaration of Independence.

(7) The Mayflower Compact.

(8) The Federalist Papers.

(9) "Common Sense" by Thomas Paine.

(10) The writings, speeches, documents, and proclamations of the founding fathers and presidents of the United States.

(11) United States Supreme Court decisions.

(12) Executive orders of the presidents of the United States.

(13) Frederick Douglas' Speech at Rochester, New York, on July 5, 1852, entitled "What to a Slave is the Fourth of July?".

(14) *Appeal* by David Walker.

(15) Chief Seattle's letter to the United States government in 1852 in response to the United States government's inquiry regarding the purchase of tribal lands.

(b) A school corporation may allow a principal or teacher in the school corporation to read or post in a school building or classroom or at a school event any excerpt or part of a writing, document, or record listed in subsection (a).

(c) A school corporation may not permit the content based censorship of American history or heritage based on religious references in a writing, document, or record listed in subsection (a).

(d) A library, a media center, or an equivalent facility that a school corporation maintains for student use must contain in the facility's permanent collection at least one (1) copy of each writing or document listed in subsection (a)(1) through (a)(9).

(e) A school corporation:

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(1) shall allow a student to include a reference to a writing, document, or record listed in subsection (a) in a report or other work product; and

(2) may not punish the student in any way, including a reduction in grade, for using the reference.

Sec. 4. (a) Each public school and nonpublic school shall provide within the two (2) weeks preceding a general election for all students in grades 6 through 12 five (5) full recitation periods of class discussion concerning:

(1) the system of government in Indiana and in the United States;

(2) methods of voting;

(3) party structures;

(4) election laws; and

(5) the responsibilities of citizen participation in government and in elections.

(b) A student may not receive a high school diploma unless the student has completed a two (2) semester course in American history.

(c) If a public school superintendent violates this section, the state superintendent shall receive and record reports of the violations. The general assembly may examine these reports.

Sec. 5. (a) Each public school teacher and nonpublic school teacher who is employed to instruct in the regular courses of grades 1 through 12 shall present the teacher's instruction with special emphasis on:

(1) honesty;

(2) morality;

(3) courtesy;

(4) obedience to law;

(5) respect for the national flag and the Constitution of the State of Indiana and the Constitution of the United States;

(6) respect for parents and the home;

(7) the dignity and necessity of honest labor; and

(8) other lessons of a steadying influence that tend to promote and develop an upright and desirable citizenry.

(b) The state superintendent shall prepare outlines or materials for the instruction described in subsection (a) and incorporate the instruction in the regular courses of grades 1 through 12.

Sec. 6. (a) This section applies only to public schools.

(b) As used in this section, "good citizenship instruction" means integrating instruction into the current curriculum that stresses the

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nature and importance of the following:

(1) Being honest and truthful.

(2) Respecting authority.

(3) Respecting the property of others.

(4) Always doing the student's personal best.

(5) Not stealing.

(6) Possessing the skills (including methods of conflict resolution) necessary to live peaceably in society and not resorting to violence to settle disputes.

(7) Taking personal responsibility for obligations to family and community.

(8) Taking personal responsibility for earning a livelihood.

(9) Treating others the way the student would want to be treated.

(10) Respecting the national flag, the Constitution of the United States, and the Constitution of the State of Indiana.

(11) Respecting the student's parents and home.

(12) Respecting the student's self.

(13) Respecting the rights of others to have their own views and religious beliefs.

(c) The department shall:

(1) identify; and

(2) make available;

models of conflict resolution instruction to school corporations. The instruction may consist of a teacher training program that applies the techniques to the students in the classroom to assist school corporations in complying with this section.

Sec. 7. Each school corporation shall include in the school corporation's curriculum the following studies:

(1) Language arts, including:

(A) English;

(B) grammar;

(C) composition;

(D) speech; and

(E) second languages.

(2) Mathematics.

(3) Social studies and citizenship, including the:

(A) constitutions;

(B) governmental systems; and

(C) histories;

of Indiana and the United States.

(4) Sciences.

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(5) Fine arts, including music and art.

(6) Health education, physical fitness, safety, and the effects of alcohol, tobacco, drugs, and other substances on the human body.

(7) Additional studies selected by each governing body, subject to revision by the state board.

Sec. 8. A course in safety education for at least one (1) full semester shall be taught in grade 8 of each public school and nonpublic school. The state board shall:

(1) prepare a guide for this course that:

(A) the teacher shall use; and

(B) may be revised under the direction of the state board; and

(2) adopt textbooks or other materials for the course under IC 20-20-5.

Sec. 9. (a) The principles of hygiene and sanitary science must be taught in grade 5 of each public school and may be taught in other grades. This instruction must explain the ways that dangerous communicable diseases are spread and the sanitary methods for disease prevention and restriction.

(b) The state health commissioner and the state superintendent shall jointly compile a leaflet describing the principles of hygiene, sanitary science, and disease prevention and shall supply the leaflets to each superintendent, who shall:

(1) supply the leaflets to each school; and

(2) require the teachers to comply with this section.

(c) Each prosecuting attorney to whom the state department of health or the state department of health's agents report any violation of this section shall commence proceedings against the violator.

(d) Any student who objects in writing, or any student less than eighteen (18) years of age whose parent or guardian objects in writing, to health and hygiene courses because the courses conflict with the student's religious teachings is entitled to be excused from receiving medical instruction or instruction in hygiene or sanitary science without penalties concerning grades or graduation.

Sec. 10. (a) The governing body shall provide in each public school for the illustrative teaching of:

(1) the spread of disease by:

(A) rats;

(B) flies; and

(C) mosquitoes;

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and the effects of disease; and

(2) disease prevention by proper food selection and consumption.

(b) A school official who fails to comply with this section commits a Class C infraction.

Sec. 11. (a) For kindergarten through grade 12, the governing body of each school corporation shall provide instruction concerning the effects that:

(1) alcoholic beverages;

(2) tobacco;

(3) prescription drugs; and

(4) controlled substances;

have on the human body and society at large.

(b) The state board shall make available to all school corporations a list of appropriate available instructional material on the matters described in subsection (a).

(c) The department shall develop curriculum guides to assist teachers assigned to teach the material described in subsection (a).

(d) The state board shall approve drug education curricula for every grade from kindergarten through grade 12.

(e) The department shall provide assistance to each school corporation to train at least one (1) teacher in the school corporation in drug education.

Sec. 12. (a) Each school corporation shall:

(1) include in the school corporation's curriculum instruction concerning the disease acquired immune deficiency syndrome (AIDS); and

(2) integrate this effort to the extent possible with instruction on other dangerous communicable diseases.

(b) A school corporation shall consider the recommendations of the AIDS advisory council established under IC 20-34-1 concerning community standards on the:

(1) content of the instruction;

(2) manner in which the information is presented; and

(3) grades in which the information is taught.

(c) Literature that is distributed to school children and young adults under this section must include information required by IC 20-34-3-17.

(d) The department, in consultation with the state department of health, shall develop AIDS educational materials. The department shall make the materials developed under this section available to school corporations.

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Sec. 13. Throughout instruction on human sexuality or sexually transmitted diseases, an accredited school shall:

(1) require a teacher to teach abstinence from sexual activity outside of marriage as the expected standard for all school age children;

(2) include in the instruction that abstinence from sexual activity is the only certain way to avoid out-of-wedlock pregnancy, sexually transmitted diseases, and other associated health problems; and

(3) include in the instruction that the best way to avoid sexually transmitted diseases and other associated health problems is to establish a mutually faithful monogamous relationship in the context of marriage.

Sec. 14. (a) To:

(1) educate students on the importance of their future career choices;

(2) prepare students for the realities inherent in the work environment; and

(3) instill in students work values that will enable them to succeed in their respective careers;

each school within a school corporation shall include in the school's curriculum for all students in grades 1 through 12 instruction concerning employment matters and work values.

(b) Each school shall:

(1) integrate within the curriculum instruction that is; or

(2) conduct activities or special events periodically that are;

designed to foster overall career awareness and career development as described in subsection (a).

(c) The department shall develop career awareness and career development models as described in subsection (d) to assist schools in complying with this section.

(d) The models described in this subsection must be developed in accordance with the following:

(1) For grades 1 through 5, career awareness models to introduce students to work values and basic employment concepts.

(2) For grades 6 through 8, initial career information models that focus on career choices as they relate to student interest and skills.

(3) For grades 9 through 10, career exploration models that offer students insight into future employment options.

(4) For grades 11 through 12, career preparation models that

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provide job or further education counseling, including the following:

(A) Initial job counseling, including the use of job service officers to provide school based assessment, information, and guidance on employment options and the rights of students as employees.

(B) Workplace orientation visits.

(C) On-the-job experience exercises.

(e) The department, with assistance from the department of labor and the department of workforce development, shall:

(1) develop and make available teacher guides; and

(2) conduct seminars or other teacher training activities;

to assist teachers in providing the instruction described in this section.

(f) The department shall, with assistance from the department of workforce development, design and implement innovative career preparation demonstration projects for students in at least grade 9.

Sec. 15. (a) Each school corporation shall include in the school corporation's high school health education curriculum instruction regarding breast cancer and testicular cancer as adopted by the state board, including the significance of early detection of these diseases through:

(1) monthly self-examinations; and

(2) regularly scheduled mammographies in the case of breast cancer.

(b) The department shall, in consultation with the state department of health, develop breast cancer and testicular cancer educational materials to be made available to school corporations to assist teachers assigned to teach the material described in this section.

(c) The:

(1) department shall develop guidelines; and

(2) state board shall adopt rules under IC 4-22-2;

concerning the instruction required under this section to assist teachers assigned to teach the material described in this section.

Sec. 16. (a) Each school corporation shall include in the school corporation's high school health education curriculum instruction regarding the human organ donor program and blood donor program as adopted by the state board, including:

(1) the purpose of the human organ donor program and blood donor program;

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(2) the statewide and nationwide need for human organ and blood donations; and

(3) the procedure for participation in the human organ donor program and blood donor program.

(b) The department shall, in consultation with the state department of health or any other appropriate organization, develop human organ donor program and blood donor program educational materials to be made available to school corporations to assist teachers assigned to teach the material described in this section.

(c) The:

(1) department shall develop guidelines; and

(2) state board shall adopt rules under IC 4-22-2;

concerning the instruction required under this section to assist teachers assigned to teach the material described in this section.

Sec. 17. (a) A school corporation shall make available for inspection by the parent of a student any instructional materials, including:

(1) teachers' manuals;

(2) textbooks;

(3) films or other video materials;

(4) tapes; and

(5) other materials;

used in connection with a personal analysis, an evaluation, or a survey described in subsection (b).

(b) A student shall not be required to participate in a personal analysis, an evaluation, or a survey that is not directly related to academic instruction and that reveals or attempts to affect the student's attitudes, habits, traits, opinions, beliefs, or feelings concerning:

(1) political affiliations;

(2) religious beliefs or practices;

(3) mental or psychological conditions that may embarrass the student or the student's family;

(4) sexual behavior or attitudes;

(5) illegal, antisocial, self-incriminating, or demeaning behavior;

(6) critical appraisals of other individuals with whom the student has a close family relationship;

(7) legally recognized privileged or confidential relationships, including a relationship with a lawyer, minister, or physician; or

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(8) income (except as required by law to determine eligibility for participation in a program or for receiving financial assistance under a program);

without the prior consent of the student if the student is an adult or an emancipated minor or the prior written consent of the student's parent if the student is an unemancipated minor. A parental consent form for a personal analysis, an evaluation, or a survey described in this section shall accurately reflect the contents and nature of the personal analysis, evaluation, or survey.

(c) The department and the governing body shall give parents and students notice of their rights under this section.

(d) The governing body shall enforce this section.

Chapter 6. Optional Curriculum

Sec. 1. (a) The state board and the state superintendent may prescribe a program of adult education. The state board shall adopt rules under IC 4-22-2 to provide for this program and to provide for the state distribution formula for money appropriated by the general assembly for adult education. Money appropriated by the general assembly for adult education may be used only to reimburse a school corporation for adult education that is provided to individuals who:

(1) need the education to master a skill that leads to:

(A) the completion of grade 8; or

(B) a state of Indiana general educational development (GED) diploma under IC 20-20-6;

(2) need the education to receive high school credit to obtain a high school diploma; or

(3) have graduated from high school (or received a high school equivalency certificate or a state of Indiana general educational development (GED) diploma) but who demonstrate basic skill deficiencies in mathematics or English/language arts.

For purposes of reimbursement under this section, the school corporation may not count an individual who is also enrolled in the school corporation's kindergarten through grade 12 educational program. An individual described in subdivision (3) may be counted for reimbursement by the school corporation only for classes taken in mathematics and English/language arts.

(b) The state board shall provide for reimbursement to a school corporation under this section for instructor salaries and administrative and support costs. However, the state board may not allocate more than fifteen percent (15%) of the total

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appropriation under subsection (a) for administrative and support costs.

(c) A school corporation may conduct a program of adult education.

(d) A school corporation may require an individual who:

(1) is at least sixteen (16) years of age; and

(2) wishes to enroll in a school following the student's expulsion from school under IC 20-33-8 on the grounds that the student was:

(A) disorderly; or

(B) dangerous to persons or property;

to attend evening classes or classes established for students who are at least sixteen (16) years of age. However, the school corporation shall provide a child with a disability (as defined in IC 20-35-1-2) who is at least eighteen (18) years of age and whom the school corporation elects to educate with an appropriate special educational program.

Sec. 2. (a) The department shall, in cooperation with the department of workforce development, implement the Indiana program of adult competency.

(b) The department may, with approval by the department of workforce development, do the following:

(1) Use funds available under the Job Training Partnership Act under 29 U.S.C. 1500 et seq.

(2) Use funds available to the department of workforce development to implement the Indiana program of adult competency.

Sec. 3. If money appropriated in a fiscal year by the general assembly for adult education is insufficient to fund the state adult education distribution formula provided in the rules adopted by the state board, the budget agency may transfer a sufficient amount of money from any excess in the state appropriation for tuition support for the fiscal year to fund the state adult education distribution formula. Before the budget agency makes a transfer, the budget agency shall refer the matter to the budget committee for an advisory recommendation.

Sec. 4. (a) A school corporation may:

(1) conduct educational television instruction; and

(2) contract with a commercial television station for the use of the station's facilities and staff.

(b) A governing body may budget and appropriate from the school corporation's general fund for expenditures under this

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section in the same manner as provided by law for other school expenditures.

Sec. 5. (a) Two (2) or more school corporations may jointly exercise the powers described in section 4 of this chapter. The school corporations shall enter into an agreement as to the part of expenses incurred under section 4 of this chapter that each school corporation pays.

(b) A school corporation described in subsection (a) may pay into a joint fund an amount computed annually under an agreement described in subsection (a).

(c) The treasurer of a joint fund described in subsection (b) shall:

(1) deposit money in the fund as provided under IC 5-13; and

(2) make disbursements on claims allowed by an executive committee acting for the participating school corporations.

The treasurer shall give bond in an amount established by the executive committee.

Sec. 6. The state board may approve credit in kindergarten through grade 12 for educational television instruction in the same manner as other credit is given under state rules.

Sec. 7. (a) A governing body may institute a system of military instruction in a high school and authorize the high school to receive arms, ammunition, and equipment from the federal government under regulations adopted by the United States Department of Defense.

(b) A governing body described in subsection (a) may pay the following expenses from the school corporation's general fund:

(1) Freight charges on arms, ammunition, and equipment issued by the federal government from the place of issue to the high school.

(2) Insurance charges on property described in subdivision (1).

(3) Premiums on bonds executed by the governing body to cover the care, safekeeping, and return of property described in subdivision (1).

(4) The cost of constructing arms racks and other facilities for the care and preservation of property described in subdivision (1), scaling walls, indoor targets, and other equipment the governing body considers necessary.

Sec. 8. (a) A governing body may employ suitable and competent persons as military instructors. A military instructor is entitled to compensation as an instructor in a high school if:

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(1) a system of military instruction is established and a military instructor is not detailed to the high school by the federal government; or

(2) a system of military instruction is established with detailed military instructors, but additional instructors are necessary.

(b) An individual who holds a certificate of eligibility issued by the state board after an examination conducted by a board of three (3) military officers, at least one (1) of whom is commissioned in the United States regular army, is competent and suitable as a military instructor. A qualified individual may serve as physical education director, military instructor, and teacher in a high school.

(c) A high school may not institute or conduct military instruction unless an instructor detailed by the federal government or a competent and suitable military instructor supervises the military instruction.

Sec. 9. Sections 7 and 8 of this chapter do not authorize compulsory military instruction in a public school and do not abridge the right of school authorities to make proper rules and regulations for the government of the school's students.

Sec. 10. A school corporation may permit a voluntary religious observance if the school corporation follows sections 11 through 13 of this chapter and any additional procedures that the school corporation adopts to ensure that the observance is voluntary.

Sec. 11. (a) The time used for voluntary religious observance authorized under section 10 of this chapter must be in addition to the regular school day, which for these purposes is six and one-half (6 1/2) hours, excluding time for lunch.

(b) A religious or philosophical group that does not accept voluntary religious observance at a school is entitled to use of school facilities during the time set for voluntary religious observance.

(c) A school corporation shall provide properly supervised facilities for recreation and study during a voluntary religious observance. The supervised facilities must include the following:

(1) The library.

(2) If the school has no library, a study room.

(3) The gymnasium or playground.

(4) Music and art facilities.

An individual who supervises a facility does not have to be licensed in the activity that the individual supervises.

Sec. 12. (a) The following may not cause or encourage

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attendance at a voluntary religious observance:

(1) A school corporation.

(2) A superintendent.

(3) A principal.

(4) A teacher.

(5) A clerical employee.

(6) A custodial employee.

(7) A school employee or official.

A person described in this subsection who causes or encourages attendance at a voluntary religious observance commits an act of insubordination, and appropriate action shall be taken against the person.

(b) Notwithstanding subsection (a), a school shall provide written notice to all students and the students' parents of a voluntary religious observance and of any alternative activities provided under section 11(c) of this chapter.

(c) A school corporation shall ensure that:

(1) students do not coerce attendance at a voluntary religious observance; and

(2) no opprobrium attaches among the students or faculty for not participating in a voluntary religious observance.

If a school corporation cannot avert the coercion or opprobrium described in this subsection, the school corporation shall discontinue the voluntary religious observances.

Sec. 13. (a) At the opening of each school day, the teacher in charge of a public school classroom may conduct a brief period of silent prayer or meditation with the participation of all students in the classroom. If the governing body of the school corporation directs the teacher to conduct a brief period of silent prayer or meditation, the teacher shall do so.

(b) A teacher may not conduct a brief period of silent prayer or meditation under this section as a religious service or exercise.

(c) A brief period of silent prayer or meditation conducted under this section is not a religious service or exercise. A brief period of silent prayer or meditation conducted under this section is:

(1) an opportunity for silent prayer or meditation on a religious theme; or

(2) a moment of silent reflection on the anticipated activities of the day.

Sec. 14. The state board shall:

(1) provide school corporations with guides for teaching

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geography in the public schools;

(2) provide school corporations with a list of textbooks that have been adopted under IC 20-20-5 and are available for geography instruction; and

(3) make available in-service training opportunities to teachers who teach geography.

Sec. 15. (a) A school corporation may offer classes in American Sign Language as a first or second language for hearing, deaf, and hard of hearing students.

(b) If:

(1) classes in American Sign Language are offered at the secondary level by a school corporation; and

(2) a student satisfactorily completes a class in American Sign Language as a second language;

the student is entitled to receive foreign language credit for the class.

(c) A class in American Sign Language offered under this section must be taught by a teacher licensed in Indiana and:

(1) certified by the American Sign Language Teachers Association; or

(2) holding a degree in American Sign Language.

(d) The state board shall establish a curriculum in American Sign Language as a first or second language.

Chapter 7. Summer School Programs

Sec. 1. The state board may prescribe a program of summer school education for public schools. The state board shall adopt rules under IC 4-22-2 to provide for:

(1) summer school programs; and

(2) the state distribution formula for any money appropriated by the general assembly for summer school education.

Sec. 2. A school corporation may conduct a program of summer school education.

Sec. 3. In addition to a program of summer school education described in section 1 of this chapter, a school corporation may conduct a voluntary summer school enrichment program in which educational programs that are not offered during the regular school year are offered to students.

Sec. 4. (a) An educational program described in section 3 of this chapter consists of one-half (1/2) day sessions in which students may:

(1) receive remediation on a voluntary basis;

(2) develop further in areas first covered during the school

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year; or

(3) experience specific educational programs that are not regularly provided as part of the established curriculum during the school year.

(b) The board shall adopt rules under IC 4-22-2 to implement this section and section 3 of this chapter, including rules governing the distribution of state funds for this purpose.

Sec. 5. A school corporation may enter into an agreement with:

(1) another school corporation;

(2) an accredited nonpublic school; or

(3) both entities described in subdivisions (1) and (2);

to offer a joint summer school program for high school students.

Sec. 6. An agreement under section 5 of this chapter must:

(1) designate one (1) participating school corporation as the local education agency for the joint educational program; and

(2) specify the allocation of costs of the joint summer school program, including teacher compensation, among the parties to the agreement.

Sec. 7. The parties to an agreement under section 5 of this chapter may provide educational programs:

(1) that are not regularly provided as part of the established curriculum during the school year; and

(2) for which a student who successfully completes a program may receive high school and college credit under an articulation agreement or dual credit provision under IC 20-32-3-9, IC 20-12-1-9, or IC 20-12-17.1.

Sec. 8. Except as provided in section 9 of this chapter, an instructor for an educational program described in section 7 of this chapter must be:

(1) licensed under IC 20-28; or

(2) granted a substitute teacher's license by the professional standards board.

Sec. 9. If the superintendent of the school corporation that is the local education agency determines that:

(1) a qualified licensed teacher is not available from the entities entering into an agreement under section 5 of this chapter; and

(2) a qualified postsecondary instructor is available;

to instruct in an educational program described in section 7 of this chapter, the superintendent may request the professional standards board to issue a substitute teacher's license to the instructor of an educational program described in section 7 of this chapter.

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Sec. 10. If the professional standards board finds that a qualified licensed teacher is not available from the entities entering into an agreement under section 5 of this chapter to instruct in an educational program described in section 7 of this chapter, the professional standards board may issue a substitute teacher's license to the instructor of an educational program described in section 7 of this chapter.

Sec. 11. An instructor for an educational program described in section 7 of this chapter must be compensated at the same rate as the rate determined for a teacher under IC 20-28-6-7 and the local education agency's contract with certificated employees.

Sec. 12. If the money appropriated in a fiscal year by the general assembly for summer school education is insufficient to fund the state summer school distribution formula provided in the rules adopted by the state board, the budget agency may transfer a sufficient amount of money from any excess in the state appropriation for tuition support for the fiscal year to fund the state summer school distribution formula. Before the budget agency makes the transfer, the budget agency shall refer the matter to the budget committee for the committee's advisory recommendation.

Chapter 8. Alternative Program for Certain Students

Sec. 1. As used in this chapter, "alternative education program" refers to an alternative school or educational program that is described in section 6 of this chapter. The term includes:

(1) an alternative education program described in section 5(a)(1) of this chapter; or

(2) an area alternative education program described in section 5(a)(2) of this chapter.

Sec. 2. As used in this chapter, "disruptive student" means an eligible student who has a documented record of frequent disruptions of the traditional school learning environment despite repeated attempts by the school corporation to modify the student's behavior in conformity with a progressive disciplinary program approved by the department.

Sec. 3. As used in this chapter, "eligible student" refers to a student who qualifies as an eligible student under section 9 of this chapter.

Sec. 4. As used in this chapter, "program organizer" means the following:

(1) The governing body of a school corporation that establishes an alternative education program described in

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section 5(a)(1) of this chapter.

(2) The governing bodies of each of the school corporations that:

(A) participate in an area alternative education program described in section 5(a)(2) of this chapter; and

(B) take an official action under this chapter by adopting substantially identical resolutions.

(3) The governing body or administrative body of an area alternative education program described in section 5(a)(2) of this chapter.

Sec. 5. (a) The governing body may elect to:

(1) establish an alternative program on its own; or

(2) participate in an area alternative program through a joint program under IC 20-26-10.

(b) An alternative program is not required to be located at a site that is different than the site at which the traditional school instruction is offered.

Sec. 6. To qualify as an alternative education program, the program must:

(1) be an educational program for eligible students that instructs the eligible students in a different manner than the manner of instruction available in a traditional school setting; and

(2) comply with the rules that are adopted under IC 4-22-2 by the state board to govern:

(A) alternative education programs; and

(B) admission of eligible students to alternative education programs.

Sec. 7. The program organizer may request the approval from the department for the following:

(1) To receive the grant for alternative education programs under IC 21-3-11.

(2) To be granted waivers from rules adopted by the state board that may otherwise interfere with the objectives of the alternative education program, including waivers of:

(A) certain high school graduation requirements;

(B) the length of the student instructional day as set forth in IC 20-30-2-2;

(C) required curriculum and textbooks;

(D) teacher certification requirements; and

(E) physical facility requirements.

Sec. 8. (a) Before a program organizer is eligible for the funding

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under IC 21-3-11, a program organizer must have the grant for the program approved by both:

(1) the department; and

(2) the budget agency after review by the budget committee.

(b) A school corporation may initiate the program and waiver approval process under section 7 of this chapter and the grant approval process under this section by submitting an application for the proposed alternative education program, on forms developed by the department, to the department. The application must include the following information:

(1) The number of eligible students expected to participate in the alternative education program.

(2) A description of the proposed alternative education program, including a description of the nature of the alternative education program curriculum.

(3) The extent to which the manner of instruction at the alternative education program differs from the manner of instruction available in the traditional school setting.

(4) A description of specific progressive disciplinary procedures that:

(A) are reasonably designed to modify disruptive behavior in the traditional school learning environment without necessitating admission to an alternative education program; and

(B) will be used before admitting a disruptive student into an alternative education program.

(5) Any other pertinent information required by the department.

(c) The term of a grant may not exceed one (1) school year. If a school corporation fails to conduct an alternative education program in conformity with:

(1) this chapter;

(2) the rules adopted by the state board; or

(3) the terms of the approved grant;

the department or the budget agency, after review by the budget committee, may terminate funding for the alternative education program before the grant expires.

Sec. 9. (a) To qualify as an eligible student, a student must:

(1) be enrolled in or be eligible to be admitted to grades 6 through 12;

(2) meet at least one (1) of the criteria described in section 10 of this chapter;

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(3) have a written individual service plan prepared under section 11 of this chapter; and

(4) be likely to benefit:

(A) academically;

(B) behaviorally; or

(C) both academically and behaviorally;

from participation in an alternative education program, as jointly determined by the student's teacher or teachers and principal or principal's designee, and in consultation with the student's parent or guardian.

(b) The governing body of the school corporation shall review the determinations made by the school corporation to place and retain students in an alternative education program in order to ensure that the students in the alternative education program meet the criteria for the program.

Sec. 10. A student placed in an alternative education program must meet at least one (1) of the following criteria:

(1) The student intends to withdraw or has withdrawn from school before graduation.

(2) The student has been identified as a student who:

(A) has failed to comply academically; and

(B) would benefit from instruction offered in a manner different from the manner of instruction available in a traditional school.

(3) The student is a parent or an expectant parent and is unable to regularly attend the traditional school program.

(4) The student is employed and the employment:

(A) is necessary for the support of the student or the student's immediate family; and

(B) interferes with a part of the student's instructional day.

(5) The student is a disruptive student.

Sec. 11. (a) Before placing a student in an alternative education program, the school corporation in which the student is enrolled shall prepare an individual service plan for the student's placement.

(b) The individual service plan for a student must be reviewed and revised:

(1) as needed; and

(2) at least annually.

(c) The initial plan and each revised plan must be jointly prepared by the student's:

(1) teacher or teachers; and

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(2) principal or the principal's designee.

If a student is enrolled in an alternative education program when an individual service plan is revised, the principal and teacher for the alternative education program may prepare the revised plan. If a student is enrolled in the classes of more than one (1) teacher, a teacher who is designated by the school corporation as the student's principal adviser shall prepare the individual service plan.

(d) The individual service plan for a student must be in writing. In the plan, the student's teacher or teachers and principal or principal's designee must jointly agree that the student is likely to academically benefit from participation in an alternative education program. The plan must include a description of at least the following:

(1) Educational goals appropriate for the student.

(2) Behavioral goals appropriate for the student.

(3) An alternative education program that is appropriate for the student.

(4) Services required by the student and the student's immediate family to meet the educational goals and behavioral goals specified in the individual service plan.

Sec. 12. A student who:

(1) is designated as an eligible student or assigned to participate in a particular alternative education program; and

(2) disagrees with the designation or assignment described in subdivision (1);

may appeal the designation to the governing body for the school corporation in which the student is enrolled.

Sec. 13. (a) The department shall encourage school corporations to assess the need in the school corporation for an alternative education program or an area alternative education program.

(b) Upon request of a school corporation, the department shall assist the school corporation in establishing an alternative education program.

Sec. 14. The state board shall adopt rules under IC 4-22-2 to implement this chapter.

Chapter 9. Bilingual and Bicultural Instruction

Sec. 1. As used in this chapter, "bilingual-bicultural instruction" means the use of written and spoken English and a non-English language to teach students. It includes instruction in the history and culture of both the United States and the homeland of the

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non-English language.

Sec. 2. As used in this chapter, "bilingual-bicultural program" means a course of bilingual-bicultural instruction for non-English dominant students, designed to meet the students' language skill needs as soon as possible.

Sec. 3. As used in this chapter, "division" means the division of migrant bilingual-bicultural education of the department.

Sec. 4. As used in this chapter, "non-English dominant students" means students who have difficulty performing in classes conducted solely in English because:

(1) the students' native tongue is not English;

(2) the language most often spoken by the students is not English; or

(3) the language most often spoken in the students' homes is not English.

Sec. 5. It is the policy of the state to provide bilingual-bicultural programs for all qualified students enrolled in Indiana public schools through the establishment of the programs by school corporations. The state recognizes the need for and the desirability of the programs to:

(1) aid students to reach their full academic level of achievement; and

(2) preserve an awareness of cultural and linguistic heritage.

Sec. 6. The state superintendent shall carry out a bilingual-bicultural program for the improvement of educational opportunities for non-English dominant students by doing the following:

(1) Supporting and planning pilot and demonstration projects that are designed to test and demonstrate the effectiveness of programs for improving educational opportunities for non-English dominant students.

(2) Assisting in the establishment and operation of programs that are designed to stimulate:

(A) the provision of educational services not available to non-English dominant students in sufficient quantity or quality; and

(B) the development and establishment of exemplary programs to serve as models for regular school programs in which non-English dominant students are educated.

(3) Assisting in the establishment and operation of pre-service and in-service training programs for persons serving non-English dominant students as educational personnel.

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(4) Encouraging the dissemination of information and materials relating to and the evaluation of the effectiveness of education programs that may offer educational opportunities to non-English dominant students. For activities described in this section, preference shall be given to the training of non-English dominant students, including innovative programs related to the educational needs of the non-English dominant students.

Sec. 7. The state superintendent may assist and stimulate school corporations in developing and establishing bilingual-bicultural educational services and programs specifically designed to improve educational opportunities for non-English dominant students. Funds may be used for the following:

(1) To provide educational services not available to the non-English dominant students in sufficient quantity or quality, including:

(A) remedial and compensatory instruction, psychological, and other services designed to assist and encourage non-English dominant students to enter, remain in, or reenter elementary or secondary school;

(B) comprehensive academic and vocational instruction;

(C) instructional materials (such as library books, textbooks, and other printed or published or audiovisual materials) and equipment;

(D) comprehensive guidance, counseling, and testing services;

(E) special education programs for persons with disabilities;

(F) preschool programs; and

(G) other services that meet the purposes of this subdivision.

(2) For the establishment and operation of exemplary and innovative educational programs and resource centers that involve new educational approaches, methods, and techniques designed to enrich programs of elementary and secondary education for non-English dominant students.

Sec. 8. (a) Students whose dominant language is English shall be allowed to participate in the bilingual-bicultural program unless their participation will hinder the progress of the non-English dominant students.

(b) Students enrolled in a program of bilingual-bicultural education shall, if graded classes are used, be placed, to the extent

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practicable, in classes with students of approximately the same age and level of educational attainment, as determined after considering the attainment through the use of all necessary languages.

(c) If students of significantly varying ages or levels of educational attainment are placed in the same class, the program of bilingual-bicultural education must seek to ensure that each student is provided with instruction appropriate for the student's level of educational attainment. The ultimate objective is to place the bilingual-bicultural student in the regular course of study.

Sec. 9. (a) Before placing a student in a bilingual-bicultural program, the governing body of the school corporation in which the student resides shall notify the student's parent of the placement.

(b) The notice required in subsection (a) must be in English and the appropriate non-English language. The notice must state the purposes, methods, and content of the program and must inform the parent of the parent's right to:

(1) visit the program; and

(2) if the student is less than eighteen (18) years old, refuse the student's placement or withdraw the student from the program.

Sec. 10. (a) Before June 1 of each year, the principal of each school operating a bilingual-bicultural program shall appoint a local advisory committee composed of:

(1) teachers of bilingual-bicultural instruction who are proficient in both English and a non-English language and certified to teach a subject, including the history and culture of both the United States and the homeland of the non-English language;

(2) counselors;

(3) community members; and

(4) parents of students enrolled or eligible for enrollment in the bilingual-bicultural program.

A majority of the committee members must be parents of students enrolled or eligible for enrollment in the bilingual-bicultural program.

(b) Before July 1 of each year, the governing body of each school corporation operating a bilingual-bicultural program shall select at least one (1) representative from each local advisory committee to serve on a corporation advisory committee. A majority of the committee members must be parents of students enrolled or

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eligible for enrollment in the program.

(c) A member of a local and corporation advisory committee holds the position for one (1) year.

(d) The local and corporation advisory committees shall participate in planning, implementing, and evaluating the bilingual-bicultural programs. All bilingual-bicultural programs must be approved by the appropriate local advisory committee before implementation. If the advisory committee refuses to approve a program, the division shall arbitrate the dispute.

(e) All school corporations wishing to implement a bilingual-bicultural program shall apply to the state superintendent.

(f) All bilingual-bicultural programs must be approved by the state board to qualify for the distribution of state funds to school corporations for the bilingual-bicultural programs.

Sec. 11. School corporations may establish full-time or part-time summer or preschool bilingual-bicultural courses. However, the courses are not substitutes for bilingual-bicultural programs required during the normal school year.

Sec. 12. The division:

(1) shall aid school corporations in developing bilingual-bicultural programs by:

(A) evaluating instructional materials;

(B) compiling material on the theory and practice of bilingual-bicultural instruction;

(C) encouraging innovative programs; and

(D) otherwise providing technical assistance to the corporations;

(2) shall aid school corporations in developing and administering in-service training programs for school administrators and personnel involved in bilingual-bicultural programs;

(3) shall monitor and evaluate bilingual-bicultural programs conducted by school corporations;

(4) shall make an annual report on the status of the bilingual-bicultural programs to the governor and the general assembly;

(5) shall establish bilingual-bicultural educational resource centers for the use of the school corporations; and

(6) may establish guidelines to implement this chapter.

A report made under subdivision (4) to the general assembly must be in an electronic format under IC 5-14-6.

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Sec. 13. (a) Each school corporation must apply to the division to receive funds under this chapter. The division director shall determine on a competitive basis which bilingual-bicultural programs are to receive the funds under this chapter. The criteria for determining the distribution of funds are as follows:

(1) The extent to which the educational needs identified and addressed in the application for funds are for bilingual-bicultural programs in areas having the greatest need in Indiana.

(2) The extent to which educational needs are clearly identified and realistic objectives are carefully planned to meet the objectives.

(3) The extent to which the application sets forth quantifiable measurement of the success of the proposed bilingual-bicultural program in providing students who do not speak English as a dominant language with language skills necessary for the students' education.

(4) The extent to which the application contains evidence that:

(A) the costs of bilingual-bicultural program components are reasonable in relation to the expected benefits;

(B) the proposed bilingual-bicultural program will be coordinated with existing efforts; and

(C) all possible efforts are being made to minimize the amount of funds requested for purchase of equipment necessary for implementation of the proposed bilingual-bicultural program.

(5) The extent to which the application indicates that the personnel to be employed in the bilingual-bicultural program possess qualifications relevant to the objectives of the bilingual-bicultural program.

(b) The division director may not award more than three hundred dollars ($300) per student under this chapter.

Sec. 14. The bilingual-bicultural program of a school corporation may be funded for a minimum of five (5) years under this chapter.

Chapter 10. College Preparation Curriculum

Sec. 1. The department shall develop and recommend to the state board for adoption the Core 40 college preparation curriculum models.

Sec. 2. (a) The state board shall adopt the following:

(1) College/technology preparation curriculum models that may include all or part of the following:

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(A) The college preparation curriculum models developed by the department under section 1 of this chapter.

(B) The technology preparation curriculum models developed by the technology preparation task force under IC 20-20-10.

(2) Teacher and staff training to implement the college/technology preparation curriculum models.

(b) The college/technology preparation curriculum models that the state board adopts under subsection (a) must meet the conditions listed in:

(1) section 3 of this chapter; and

(2) IC 20-20-10-3.

Sec. 3. The college/technology preparation curriculum models must meet the following conditions:

(1) Be performance based.

(2) Allow for dual credit, advanced study, and cooperative agreements.

(3) Provide a student with:

(A) the subject and skill areas required by a state educational institution to gain admittance into the respective state educational institution; and

(B) the skills necessary to gain employment upon the student's completion of formal education;

upon the satisfactory fulfillment of the curriculum.

(4) Relate to a broad scope of subject areas and include all the subject areas required to be taught under Indiana law.

(5) Be designed to satisfy the graduation requirements established by the state board.

Chapter 11. The Postsecondary Enrollment Program

Sec. 1. As used in this chapter, "eligible institution" means an accredited public or private college or university located in Indiana that grants a baccalaureate or associate degree.

Sec. 2. As used in this chapter, "program" refers to the postsecondary enrollment program established under this chapter.

Sec. 3. As used in this chapter, "secondary credit" means credit toward graduation requirements granted by a student's school corporation upon the successful completion of a course taken under the program.

Sec. 4. (a) The postsecondary enrollment program is established for secondary school students in grades 11 and 12.

(b) A student may, upon approval of the student's school corporation, enroll in courses offered by an eligible institution

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under the program on a full-time or part-time basis during grade 11 or grade 12, or both.

(c) If a school corporation has approved a course offered by an eligible institution for secondary credit, a student is entitled to credit toward graduation requirements for each course the student successfully completes at the eligible institution.

Sec. 5. Before February 1 each year, each school corporation shall provide each student in grades 10 and 11 with information concerning the program.

Sec. 6. Each student who intends to enroll in an eligible institution under the program shall notify the principal of the school in which the student is enrolled.

Sec. 7. (a) A representative of the school corporation shall meet with each student who intends to participate in the program and discuss the following:

(1) The student's eligibility to participate in the program.

(2) The courses in which the student is authorized to enroll.

(3) The postsecondary credit the student earns upon successful completion of a course.

(4) The consequences of a student's failure to successfully complete a course.

(5) The student's schedule.

(6) The financial obligations of the student and the school under the program.

(7) The responsibilities of the student, the student's parent, and the school under the program.

(8) Other matters concerning the program.

(b) The representative of the school corporation shall make a recommendation to the principal concerning the student's participation in the program.

(c) Based on the recommendation received under subsection (b), the principal shall determine:

(1) the student's eligibility to participate in the program; and

(2) the courses approved for secondary credit.

(d) The principal shall notify the student and the superintendent, in writing, of the determination under subsection (c). If the principal determines that:

(1) the student is not eligible to participate in the program; or

(2) a course in which the student intends to enroll is not approved for secondary credit;

the principal must state, in writing, the reasons for that determination.

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Sec. 8. The governing body of each school corporation shall adopt policies to implement the program, based on guidelines established by the department.

Sec. 9. (a) If a student disputes a determination made by a principal under section 7(c) of this chapter, the student may appeal the determination to the governing body by submitting to the governing body, in writing, the reasons the student objects to the determination. The governing body shall review the determination and render a decision concerning the determination. The governing body shall notify the student and the principal, in writing, of the decision.

(b) If the student or the principal disputes the decision of the governing body under subsection (a), the student or principal may appeal to the state board. The decision of the state board is final.

Sec. 10. (a) A student who is approved for participation in the program may apply for enrollment to an eligible institution. The eligible institution shall accept or reject the student based on the standards ordinarily used to decide student enrollments. However, a student who is approved for participation in the program by the student's school corporation may not be refused admission solely because the student has not graduated from a secondary school.

(b) The eligible institution shall promptly inform the:

(1) student;

(2) student's principal; and

(3) department;

of the decision under subsection (a).

(c) Upon demonstration of financial need, an eligible institution may grant financial assistance to a student accepted for admission to the eligible institution.

Sec. 11. A student who participates in the program is considered a student enrolled in the school corporation to compute average daily membership.

Sec. 12. A school corporation shall grant secondary credit for a course successfully completed by a student at an eligible institution if the school corporation approved the course for secondary credit. The student's school records must reflect that the secondary credits were earned at an eligible institution.

Sec. 13. If a student enrolls in an eligible institution after graduation from secondary school, the eligible institution shall award postsecondary credit for a course successfully completed by the student at the eligible institution. If the student enrolls in another eligible institution, that eligible institution may grant

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credit for courses successfully completed by the student.

Sec. 14. At the end of each school year, each school corporation shall submit to the department the following:

(1) A list of the students in the school corporation who are enrolled in the program.

(2) A list of the courses successfully completed by each student who is enrolled in the program.

Sec. 15. (a) Each school corporation shall make and maintain records for each student enrolled in the program of the following:

(1) The courses and credit hours in which the student enrolls.

(2) The courses that the student successfully completes and fails to complete.

(3) The secondary credit granted to the student.

(4) Other information requested by the department.

(b) The department is entitled to have access to the records made and maintained under subsection (a).

Sec. 16. (a) The postsecondary enrollment program fund is established to provide financial assistance to students participating in the program. The department shall administer the fund.

(b) The postsecondary enrollment program fund consists of:

(1) appropriations made to the fund by the general assembly; and

(2) gifts to the fund.

(c) The treasurer of state shall invest the money in the postsecondary enrollment program fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the fund.

(d) Money in the postsecondary enrollment fund at the end of a fiscal year does not revert to the state general fund. If the fund is abolished, money in the fund shall be deposited in the state general fund.

Sec. 17. (a) The department shall:

(1) establish guidelines to carry out this chapter;

(2) evaluate the program annually and report to the state board concerning the program; and

(3) adopt procedures for the award of grants from the postsecondary enrollment program fund established by section 16 of this chapter.

(b) The guidelines established under subsection (a)(1) must encourage participation by students at all achievement levels and in a variety of academic and vocational subjects.

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Sec. 18. The state board shall adopt rules under IC 4-22-2 to carry out this chapter.

Sec. 19. This chapter does not prohibit:

(1) a student from enrolling in or attending an education program when the student is not required to be in attendance at the student's school corporation;

(2) a school corporation from:

(A) providing a supplemental postsecondary education program to students; and

(B) permitting a student to attend an education program during the regular school day or regular school year; or

(3) an eligible institution from permitting a student of a school corporation to enroll in or attend a course offered or sponsored by the eligible institution.

Chapter 12. Technology Preparation Curriculum

Sec. 1. The department shall require all school corporations to make available to the school corporation's high school students the technology preparation curriculum developed under IC 20-20-10.

Sec. 2. The state board shall implement teacher and staff training for the technology preparation curriculum.

Sec. 3. Expenditure for equipment necessary to implement this chapter by a school corporation may be paid:

(1) through technology loans from the common school fund; or

(2) from the school corporation's capital projects fund.

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

Chapter 13. Motorcycle Operator Safety Education

Sec. 1. As used in this chapter, "certified chief instructor" means a licensed motorcycle operator who meets standards established by the department that are equivalent to or more stringent than those established by the Motorcycle Safety Foundation for instructors in motorcycle safety and education.

Sec. 2. As used in this chapter, "fund" refers to the motorcycle operator safety education fund established by section 11 of this chapter.

Sec. 3. As used in this chapter, "program" means the motorcycle operator safety education program.

Sec. 4. As used in this section, "program coordinator" refers to the coordinator of the motorcycle operator safety education program.

Sec. 5. As used in this chapter, "training course" means an

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approved motorcycle operator education course that meets standards established by the department that are equivalent to or more stringent than those established by the Motorcycle Safety Foundation for courses of instruction in motorcycle safety and education.

Sec. 6. As used in this chapter, "training specialist" means the training specialist of the motorcycle operator safety education program.

Sec. 7. The department shall develop and administer a motorcycle operator safety education program that, at a minimum, must:

(1) provide motorcycle operator education;
(2) provide instructor training;
(3) increase public awareness of motorcycle safety; and
(4) evaluate and recommend improvements to the motorcycle operator licensing system.

Sec. 8. The state superintendent shall appoint:

(1) a program coordinator who shall administer the program and conduct an annual evaluation; and
(2) a training specialist who shall:
(A) establish training courses throughout Indiana;
(B) set program and funding guidelines; and
(C) supervise instructors and other personnel as necessary.

The training specialist must be a certified chief instructor and hold a valid license to operate a motorcycle.

Sec. 9. The department may enter into contracts with regional training centers or any other sites approved by the state superintendent for the conduct of motorcycle operator safety education courses. If necessary, course sites may charge a reasonable tuition fee for the courses.

Sec. 10. The state superintendent shall appoint a five (5) member advisory committee consisting of at least three (3) active motorcyclists to serve in an advisory capacity to the program.

Sec. 11. The motorcycle operator safety education fund is established. The fund consists of money received from motorcycle registrations as provided under IC 9-29. The money in the fund is appropriated to the department for the administration of the program and expenses related to the program, including:

(1) reimbursement for course sites;
(2) instructor training;
(3) purchase of equipment and course materials; and
(4) technical assistance.

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Chapter 14. Community or Volunteer Service Program

Sec. 1. Each school corporation may encourage the development of a community service ethic among high school students in grade 11 or 12 in the school corporation by offering each grade 11 or 12 student:

(1) as part of the corporation's elective curriculum;

(2) in compliance with rules adopted by the state board under section 9 of this chapter; and

(3) upon completion by the student of approved community service or other volunteer service;

the opportunity for the student to earn academic credit toward the student's minimum graduation requirements.

Sec. 2. For each student who wishes to earn academic credit for community service or volunteer service under this chapter, the student, a teacher of the student, or a community or volunteer service organization must submit an application that includes the following information to the principal or the principal's designee of the high school in which the student is enrolled:

(1) The name of the community service organization or volunteer service organization the student intends to assist.

(2) The name, address, and telephone number of the director or the supervisor of the community service organization or volunteer service organization and, if different from the director or supervisor, the name, address, and telephone number of the individual assigned by the community or volunteer service organization to supervise the student at the activity site.

(3) The nature of the community service or volunteer service performed by the student with a certification that the service performed by the student is voluntary.

(4) The total number of hours the student intends to serve the community service organization or volunteer service organization during the school year.

(5) A written statement by the director or the supervisor of the community service organization or volunteer service organization certifying that the information included in the application is an accurate reflection of:

(A) the student's expectations with regard to the number of hours of service contemplated to be performed; and

(B) the community service organization's or the volunteer service organization's need to acquire the student's service.

(6) A description of:

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(A) the educational or career exploration benefits the student and the school should expect to gain from the student's community or volunteer service participation; and

(B) the service and benefit the community or volunteer service organization expects to gain from the student's participation.

(7) A description of how the community or volunteer service activity relates to a course in which the student is enrolled or intends to enroll.

(8) The manner and frequency in which the student and the community or volunteer service activity will be evaluated.

(9) The name of the certificated school employee who will be responsible for monitoring and evaluating the student's activity and performance, including assigning to the student a grade for participation under this section.

(10) Any other information required by the principal.

Sec. 3. For each school year in which a student wishes to earn academic credit under this chapter, the student must submit the application to participate under this chapter before November 1 of the school year. The principal may waive this application deadline if the principal determines that:

(1) the student was unable to meet the application deadline due to extraordinary circumstances; and

(2) the student will reasonably be able to accrue before graduation at least the minimum number of hours of service required to acquire at least one (1) academic credit toward the student's graduation requirements.

Sec. 4. Upon receipt of the application, the principal or the principal's designee shall determine whether the student is eligible to receive academic credit under this section based on the guidelines established by the department under section 8 of this chapter and rules adopted by the state board under section 9 of this chapter.

Sec. 5. The principal or the principal's designee shall notify the student and the director or the sponsor of the community service organization or the volunteer service organization of the determination made under section 4 of this chapter. If the student's application is approved, the director or sponsor of the community service organization or the volunteer service organization shall periodically report to the principal or the principal's designee on the student's fulfillment of the expectations included in the

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application.

Sec. 6. Upon the completion of the school year, the principal or the principal's designee shall request the director or the sponsor of the community service organization or the volunteer service organization to submit a report on the student's service during the school year that certifies the total number of hours of service contributed by the student.

Sec. 7. If the student's total number of hours of service is at least equal to the minimum number of hours required to earn academic credit for community service or volunteer service as set forth in rules adopted by the state board, the student shall receive the amount of academic credit available under the state board's rules for the service toward the student's graduation requirements.

Sec. 8. The department shall develop guidelines necessary to implement this section, including guidelines to assist principals or designees in determining whether a particular community service organization or volunteer service organization qualifies as an entity in which a student's volunteer service translates into academic credit under this section.

Sec. 9. The state board shall adopt rules under IC 4-22-2 necessary to implement this section, including rules stipulating the following:

(1) The types of community service organizations or volunteer service organizations that qualify as entities described in section 8 of this chapter.

(2) The types of community services or volunteer services performed by a student that qualify for approval under this chapter.

(3) That the student must perform at least forty-eight (48) hours of service to earn one (1) academic credit.

(4) That not more than two (2) academic credits toward graduation are available to a student under this chapter.

(5) That the exploitation or endangerment of students participating under this chapter is prohibited.

(6) That each school corporation and community service organization or volunteer service organization participating under this chapter shall monitor student activity under this chapter and compile periodic reports from students and other individuals to ensure:

(A) student health and safety, including assurances that students are not expected to perform duties that are prohibited by law or rule for which students are

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inadequately prepared or supervised;

(B) an educational benefit to the student is being derived by the student; and

(C) compliance with appropriate statutes and rules.

(7) The minimum acceptable level of certificated school employee staffing required to adequately implement, monitor, and evaluate the program under this chapter.

(8) The method for demonstrating and enforcing the assurances described under subdivision (6).

Chapter 15. Nonsession School Activities

Sec. 1. As used in this chapter, "agricultural education" means the form of vocational education that prepares an individual for the occupations connected with:

(1) the tillage of soil;

(2) the care of domestic animals;

(3) forestry; and

(4) other wage earning or productive work on the farm.

Sec. 2. As used in this chapter, "attendance unit" means the geographical and population area served by a single school that consists of part or all of the school corporation.

Sec. 3. As used in this chapter, "home economics education" means the form of vocational education that prepares an individual for occupations connected with the household.

Sec. 4. As used in this chapter, "industrial education" means the form of vocational education that prepares an individual for the trades, crafts, and wage earning pursuits. The term includes the occupations performed in stores, workshops, and other establishments.

Sec. 5. As used in this chapter, "vocational education" means any education that has the major purpose of preparing an individual for profitable employment.

Sec. 6. (a) When public schools are not in session, a governing body may employ personnel to supervise the following:

(1) Agricultural education club work.

(2) Industrial education club work.

(3) Home economics education club work.

(4) Music activities.

(5) Athletics.

(b) Activities described in subsection (a) must be open and free to all individuals of school age residing in the attendance unit of the school corporation that is paying all or part of the cost of the activity.

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Sec. 7. An individual employed under this chapter shall enter into a contract with the governing body for the period of employment. The contract must contain the following terms:

(1) The amount of work to be performed.

(2) The kind of work to be performed.

(3) The length of the period of employment.

(4) The rate of compensation agreed on by the employee and the governing body.

(5) The total amount to be paid.

A contract entered into under this section is not a teaching contract or an extension of a teaching contract. An individual with a teaching contract during periods when school is not in session may not be employed under this chapter for any period included in the teaching contract.

Sec. 8. (a) A governing body shall pay contractual obligations under this chapter. However, a contract is not valid unless the governing body has made an appropriation from the school corporation's general fund for the contractual obligations before making the contract.

(b) A governing body may appropriate from the school corporation's general fund for any one (1) year an amount equal to the total funds raised by school patrons during the year in which the appropriation is made to purchase band uniforms for high school bands sponsored by high schools located within and operated by the school corporation.

SECTION 15. IC 20-31 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

ARTICLE 31. ACCOUNTABILITY FOR PERFORMANCE AND IMPROVEMENT

Chapter 1. Applicability

Sec. 1. This article applies only to the following:

(1) Public schools.

(2) Except as provided in IC 20-31-7 and IC 20-31-9, nonpublic schools that voluntarily become accredited under IC 20-19-2-8.

Chapter 2. Definitions

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

Sec. 2. "Annual report" refers to the school corporation annual performance report required by IC 20-20-8.

Sec. 3. "Charter school" refers to a public school created and

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operating under IC 20-24.

Sec. 4. "Committee" refers to the committee that develops the strategic and continuous school improvement and achievement plan under IC 20-31-5.

Sec. 5. "Cultural competency" means a system of congruent behaviors, attitudes, and policies that enables teachers to work effectively in cross-cultural situations. The term includes the use of knowledge concerning individuals and groups to develop specific standards, policies, practices, and attitudes to be used in appropriate cultural settings to increase students' educational performance.

Sec. 6. "Exceptional learner" refers to the following:

(1) A child with a disability (as defined in IC 20-35-1-2).

(2) A high ability student (as defined in IC 20-36-1-3).

Sec. 7. "Plan" refers to a strategic and continuous school improvement and achievement plan established under this article for a school or school corporation.

Sec. 8. "School" refers to a public school or an accredited nonpublic school.

Chapter 3. Adoption of Academic Standards

Sec. 1. The state board shall adopt clear, concise, and jargon free state academic standards that are comparable to national and international academic standards. These academic standards must be adopted for each grade level from kindergarten through grade 12 for the following subjects:

(1) English/language arts.

(2) Mathematics.

(3) Social studies.

(4) Science.

For grade levels tested under the ISTEP program, the academic standards must be based in part on the results of the ISTEP program.

Sec. 2. The department shall develop academic standards for the following subject areas for each grade level from kindergarten through grade 12:

(1) English/language arts.

(2) Mathematics.

(3) Social studies.

(4) Science.

(5) Other subject areas as determined by the department.

Sec. 3. The department shall revise and update academic standards:

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(1) for each grade level from kindergarten through grade 12; and

(2) in each subject area listed in section 2 of this chapter;

at least once every six (6) years. This revision must occur on a cyclical basis that coincides with the textbook adoption cycle established in IC 20-20-5-6.

Sec. 4. The state superintendent shall appoint an academic standards committee composed of subject area teachers during the period when a subject area is undergoing revision.

Sec. 5. An academic standards committee shall submit recommendations on academic standards for a subject area to the education roundtable established by IC 20-19-4-2 for review by the educational roundtable.

Sec. 6. The curriculum program of each grade level from kindergarten through grade 12 in a school in a school corporation must be consistent with the following standards:

(1) The academic standards developed under this chapter.

(2) The student competencies developed for the Core 40 college preparation curriculum models established under IC 20-30-10.

Sec. 7. The department shall do the following:

(1) Distribute the academic standards established under this chapter to each school corporation for distribution by the school corporation to the parent of each student in the school corporation.

(2) Survey parents of students, members of the business community, representatives of higher education, and educators on the importance and applicability of academic standards.

Chapter 4. Performance Based Accreditation

Sec. 1. As used in this chapter, "legal standards" means Indiana statutes and rules adopted by the state board that apply to each school for accreditation.

Sec. 2. (a) A school in Indiana may be accredited:

(1) under the performance based accreditation system established by this chapter; or

(2) by implementing a quality focused approach to school improvement such as the criteria for the Malcolm Baldrige National Quality Award for Education or for a national or regional accreditation agency that is recommended by the education roundtable and approved by the state board.

(b) The state board shall establish the following:

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(1) A performance based accreditation system for accrediting schools in Indiana under this chapter.

(2) A procedure for determining whether a school is making progress toward meeting the criteria for the Malcolm Baldrige National Quality Award for Education or a national or regional accreditation agency.

(c) The department shall establish a schedule for accrediting schools under this chapter.

Sec. 3. (a) The state board shall establish the following accreditation levels:

(1) Full accreditation status.

(2) Probationary accreditation status.

(b) After the review process described in this chapter has been completed, including the review conducted by the onsite review panel assigned under section 9 of this chapter, if applicable, the state board shall assign either full accreditation status or probationary accreditation status to each school and school corporation.

Sec. 4. (a) When all the schools in a school corporation achieve full accreditation status, the department shall provide a certificate of full accreditation to the school corporation.

(b) If one (1) or more schools in a school corporation are assigned probationary status but the school corporation is in substantial compliance with full accreditation standards, the state board shall assign full accreditation status to that school corporation.

Sec. 5. The state superintendent and the state board shall determine which of the benchmarks and indicators of performance listed in IC 20-20-8-8 are appropriate benchmarks for performance based accreditation under this chapter.

Sec. 6. The department shall determine whether the school has complied with the following legal standards for accreditation:

(1) Health and safety requirements.

(2) Minimum time requirements for school activity.

(3) Staff-student ratio requirements.

(4) Curriculum offerings.

(5) Development and implementation of a staff evaluation plan under IC 20-28-11.

(6) Completion of a school improvement plan that:

(A) analyzes the strengths and weaknesses of the school;

(B) outlines goals of the school community to which school improvement activities will be directed; and

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(C) identifies objectives of the school and programs designed to achieve those objectives.

Sec. 7. (a) If the department determines that:

(1) a school has complied with all the legal standards under section 6 of this chapter; and

(2) the school's performance has met the expectations for that school in the areas described in section 5 of this chapter;

the state board shall make a determination that the school has acquired full accreditation status.

(b) The department shall conduct the next review under this chapter of a school described under subsection (a) not later than five (5) years after the state board's determination of full accreditation.

Sec. 8. (a) If the department verifies that:

(1) a school has not complied with all the legal standards under section 6 of this chapter; or

(2) the school's performance has not met the expectations for that school in the areas described in section 5 of this chapter;

a review panel of at least three (3) members shall conduct an onsite evaluation of that school to make a recommendation to the state board as to the accreditation status of that school.

(b) The department may not publish or otherwise make available for public inspection any information concerning a school's compliance with legal standards under section 6 of this chapter, the meeting of performance expectations under section 5 of this chapter, the assignment of an onsite review panel under this section, or the recommended accreditation status of the school until all onsite reviews have taken place and recommendations to the state board concerning the accreditation status of the school have been made.

Sec. 9. (a) Each review panel must consist of the following:

(1) One (1) staff member from the department.

(2) One (1) classroom teacher.

(3) One (1) individual who is not a classroom teacher but who is representative of the field of education.

(b) The state board shall determine the selection process for the review panels. However, the department shall assign, without state board approval, a review panel to each school required to be evaluated under section 8 of this chapter.

(c) The department may require that more than one (1) review panel conduct the onsite evaluation of a school.

Sec. 10. (a) During its onsite evaluation, a review panel shall

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review the following for a school:

(1) Teaching practices and administrative leadership in instruction.

(2) Parental and community involvement.

(3) Implementation of the ISTEP remediation program under IC 20-32-8 and the educational opportunity program for at-risk children.

(4) The homework policy.

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

Sec. 11. Upon review of all the areas described in sections 5 and 10 of this chapter, a review panel shall make a recommendation to the state board concerning:

(1) the accreditation status of the school;

(2) if applicable, certain recommendations for improvement that the school should consider, including recommendations that the department provide technical assistance to the school; and

(3) the next date of review for the school.

Sec. 12. (a) Upon receipt of a review panel's recommendation, the state board shall make one (1) of the following determinations as to the accreditation status of the school:

(1) Full accreditation status with the next review being conducted five (5) years after the state board's determination of full accreditation.

(2) Full accreditation status with the next review being conducted earlier than five (5) years after the state board's determination of full accreditation.

(3) Probationary accreditation with the next review being conducted one (1) year after the state board's determination of probationary accreditation.

(b) A school that does not comply with all the legal standards may not be determined to have acquired full accreditation status.

Sec. 13. If a school is assigned probationary accreditation status, the governing body of the school corporation shall:

(1) develop a plan, within one (1) year after the school is assigned probationary status, to raise the school's level of accreditation; and

(2) raise the school's level of accreditation within three (3) years after the school is assigned probationary status.

Sec. 14. (a) If a school having probationary status:

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(1) fails to make progress; or

(2) at the end of three (3) years has not achieved full accreditation status;

the state board shall assign probationary accreditation status to the school corporation in which the school is located.

(b) A school corporation on probationary accreditation status shall direct its efforts toward raising the level of accreditation of each of its schools that are on probationary accreditation status to full accreditation status within one (1) year after the school corporation is assigned probationary accreditation status.

Sec. 15. If a school corporation on probationary accreditation status does not raise the level of accreditation of each of its schools that are on probationary accreditation status to full accreditation status within one (1) year after the school corporation was assigned probationary accreditation status, the department shall submit to the general assembly recommendations concerning the operation and administration of the school corporation and the schools within that school corporation.

Sec. 16. (a) If a school or school corporation is assigned probationary accreditation status, the governing body of the school corporation may appeal that determination to the state board.

(b) If a school or school corporation is assigned probationary accreditation status, the department shall provide assistance to that school or school corporation to achieve full accreditation status.

(c) If a school is assigned probationary accreditation status, the completion of the school improvement plan under section 6 of this chapter must involve parents, administrators, teachers, and other members of the community.

Sec. 17. The state board shall adopt rules under IC 4-22-2 necessary to implement this chapter.

Chapter 5. Strategic and Continuous School Improvement and Achievement Plan

Sec. 1. (a) The principal of each school shall coordinate:

(1) the development of an initial three (3) year strategic and continuous school improvement and achievement plan; and

(2) an annual review of the plan.

(b) The initial plan and annual review must be made with input from a committee of persons interested in the school, including administrators, teachers, parents, and community and business leaders appointed by the principal. Teacher appointments to the committee must be made in accordance with IC 20-29.

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Sec. 2. (a) This section applies to a charter school.

(b) A charter entered into under IC 20-24-4 may be used as a charter school's three (3) year plan.

Sec. 3. (a) The committee must submit a school's initial plan to the superintendent by March 1 of the school year before the year of implementation. The superintendent:

(1) shall review the plan to ensure that the plan aligns with the school corporation's objectives, goals, and expectations;

(2) may make written recommendations of modifications to the plan to ensure alignment; and

(3) shall return the plan and any recommendations to the committee by April 1 of the school year before the year of implementation.

(b) A committee may modify the plan to comply with recommendations made by the superintendent under subsection (a).

(c) A committee shall submit:

(1) the plan; and

(2) the written recommendations of the superintendent;

to the governing body by May 1 of the school year before the year of implementation.

(d) An initial plan must be established by June 1 of the school year before the year of implementation by approval of the governing body. The governing body shall approve a plan for each school in the school corporation. When a plan is presented to the governing body, the governing body must either accept or reject the plan and may not revise the plan. A plan is established when written evidence of approval is attached to the plan.

Sec. 4. (a) A plan must:

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

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

(b) A plan must establish objectives for the school to achieve. These achievement objectives must be consistent with academic standards and include improvement in at least the following areas:

(1) Attendance rate.

(2) The percentage of students meeting academic standards under the ISTEP program (IC 20-31-3 and IC 20-32-5).

(3) For a secondary school, graduation rate.

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

(d) A plan must specify how and to what extent the school

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expects to make continuous improvement in all areas of the education system where results are measured by setting benchmarks for progress on an individual school basis.

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

Sec. 5. (a) A plan may include a request for a waiver of applicability of a rule or statute to a school.

(b) The governing body may waive any rule adopted by the state board for which a waiver is requested in a plan, except for a rule that is characterized as follows:

(1) The rule relates to the health or safety of students or school personnel.

(2) The rule is a special education rule under 511 IAC 7.

(3) Suspension of the rule brings the school into noncompliance with federal statutes or regulations.

(4) The rule concerns curriculum or textbooks.

(c) Upon request of the governing body and under a plan, the state board may waive for a school or a school corporation any statute or rule relating to the following:

(1) Curriculum.

(2) Textbook selection.

Sec. 6. (a) A plan must contain the following components for the school:

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

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

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

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

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

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

(B) information on home study techniques; and

(C) access to school resources.

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

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

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

(7) A provision to maintain a safe and disciplined learning environment for students and teachers.

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

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

Sec. 7. The department shall act as a clearinghouse for plans and shall make effective plans available to school corporations as models to use in developing and carrying out plans.

Chapter 6. Cultural Competency in Educational Environments

Sec. 1. The department, in consultation with the professional standards board, shall develop and make available to school corporations and nonpublic schools materials that assist teachers, administrators, and staff in a school in developing cultural competency for use in providing professional and staff development programs.

Sec. 2. (a) In developing a school's plan, the committee shall consider methods to improve the cultural competency of the school's teachers, administrators, staff, parents, and students.

(b) The committee shall:

(1) identify the racial, ethnic, language-minority, cultural, exceptional learning, and socioeconomic groups that are included in the school's student population;

(2) incorporate culturally appropriate strategies for increasing educational opportunities and educational performance for each group in the school's plan; and

(3) recommend areas in which additional professional development is necessary to increase cultural competency in the school's educational environment.

(c) The committee shall update annually the information identified under subsection (b)(1).

Chapter 7. Student Educational Achievement Grants

Sec. 1. This chapter does not apply to a nonpublic school.

Sec. 2. As used in this chapter, "fund" refers to the student educational achievement fund established by section 4 of this chapter.

Sec. 3. As used in this chapter, "grant" refers to a student educational achievement grant from the fund.

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Sec. 4. (a) The student educational achievement fund is established to provide funds to stimulate and recognize improved student performance in meeting academic standards under the ISTEP program. The fund is administered by the department.

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

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

Sec. 5. The general assembly shall determine the statewide amount available for grants in appropriations during a biennium. The maximum amount available to a school is determined by referencing the number of full-time certified teaching positions for the school. The department, under the direction of the state superintendent, shall determine the available amounts and distribute the grants earned.

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 ISTEP program standards and other assessments recommended and approved by the education roundtable.

Sec. 7. (a) The education roundtable shall study the use of individual student assessment data:

(1) to implement this chapter;

(2) to analyze student performance over time on various assessments; and

(3) for other purposes developed by the roundtable.

(b) Any recommendation of the education roundtable concerning the use of individual student assessment data must be tested in a pilot project before the recommendation may be implemented on a statewide basis.

Chapter 8. Assessing Improvement

Sec. 1. (a) The performance of a school's students on the ISTEP program test 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

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performance levels for schools; and

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

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

Sec. 2. (a) In addition to scores on the ISTEP program test and other assessments, the department shall use the performance indicators developed under section 1 of this chapter and the benchmarks and indicators of performance in each school corporation's annual performance report as a secondary means of assessing the improvement of each school and school corporation.

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

(1) Compare each school and each school corporation with its own prior performance and not to the performance of other schools or school corporations.

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

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

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

Sec. 3. The state board shall establish a number of categories or designations of school improvement based on the improvement that a school makes in performance of the measures determined by the board with the advice of the education roundtable. The categories or designations must reflect various levels of improvement.

Sec. 4. The state board shall place each school in a category or designation of school improvement based on the department's findings from the assessment of the improvement of each school under section 2 of this chapter. The state board must place those schools that do not show improvement and in which less than ninety percent (90%) of the students meet academic standards in

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the lowest category or designation.

Chapter 9. Consequences

Sec. 1. This chapter does not apply to the following:

(1) A nonpublic school.

(2) A charter school.

Sec. 2. (a) This section applies the first year that a school is placed in the lowest category or designation of school improvement.

(b) The state board shall place the school and the school corporation on notice that the school is in the lowest category or designation of school improvement. Upon receiving the notice, the governing body shall:

(1) issue a public notice of the school's lack of improvement; and

(2) hold a public hearing in which public testimony is received concerning the lack of improvement.

(c) The committee shall revise the school's plan. A revision under this subsection may include any of the following:

(1) Shifting resources.

(2) Changing personnel.

(3) Requesting the state board to appoint an outside team to manage the school or assist in the development of a new plan.

(d) If the governing body approves a request for the state board to appoint an outside team under subsection (c)(3), the school is considered to be placed under section 3 of this chapter.

Sec. 3. (a) This section applies if, in the third year after initial placement in the lowest category or designation, a school still remains in the lowest category or designation.

(b) The state board shall establish and assign an expert team to the school. The expert team:

(1) must include representatives from the community or region that the school serves; and

(2) may include:

(A) school superintendents, members of governing bodies, and teachers from school corporations that are in high categories or designations; and

(B) special consultants or advisers.

(c) The expert team shall:

(1) assist the school in revising the school's plan; and

(2) recommend changes in the school that will promote improvement, including the reallocation of resources or requests for technical assistance.

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Sec. 4. (a) This section applies if, in the fifth year after initial placement in the lowest category or designation, a school still remains in the lowest category or designation.

(b) The state board shall do the following:

(1) Hold at least one (1) public hearing in the school corporation where the school is located to consider and hear testimony concerning the following options for school improvement:

(A) Merging the school with a nearby school that is in a higher category.

(B) Assigning a special management team to operate all or part of the school.

(C) The department's recommendations for improving the school.

(D) Other options for school improvement expressed at the public hearing, including closing the school.

(E) Revising the school's plan in any of the following areas:

(i) Changes in school procedures or operations.

(ii) Professional development.

(iii) Intervention for individual teachers or administrators.

(2) If the state board determines that intervention will improve the school, implement at least one (1) of the options listed in subdivision (1).

Chapter 10. Rules

Sec. 1. The state board may adopt rules under IC 4-22-2 to implement this article.

Chapter 11. Performance Based Awards

Sec. 1. The state board shall implement the performance based award and incentive program to recognize and reward schools that have exhibited relative improvement toward the performance benchmarks and indicators of performance listed in IC 20-20-8-8 that are considered appropriate for the school by the state superintendent and the state board.

Sec. 2. (a) The principal of each school shall, upon request of the department, certify to the department the information required to determine the school's relative improvement toward each of the benchmarks and indicators considered appropriate for the school under section 1 of this chapter.

(b) Upon receiving the information described under subsection (a) for at least two (2) consecutive years, the department shall make a determination as to whether a school exhibited relative

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improvement toward each of the benchmarks and indicators referred to in subsection (a). The department shall notify the school in writing of its determination.

Sec. 3. Upon determining the schools that have exhibited relative improvement toward at least two (2) of the benchmarks and indicators considered appropriate for the school under section 1 of this chapter, the department shall designate those schools that receive a monetary award under this chapter.

Sec. 4. (a) Before a school may receive a monetary award under this chapter, the department shall:

(1) prepare a written report:

(A) identifying the benchmarks and indicators considered appropriate for the school under section 1 of this chapter in which the school demonstrated relative improvement;

(B) describing the extent to which the school demonstrated relative improvement; and

(C) specifying the amount of the award sought for the school; and

(2) submit the written report to the budget committee for its review.

(b) Before the department distributes a monetary award under this chapter, the governor must approve the specific award.

Sec. 5. The department may recognize and grant nonmonetary awards to schools that demonstrate relative improvement in at least one (1) of the benchmarks and indicators considered appropriate for the school under section 1 of this chapter.

Sec. 6. (a) A public school that receives a monetary award under this chapter may expend that award for any educational purpose for that school, except:

(1) athletics;

(2) salaries for school personnel; or

(3) salary bonuses for school personnel.

(b) A monetary award may not be used to determine:

(1) the maximum permissible general fund ad valorem property tax levy under IC 6-1.1-19-1.5; or

(2) the tuition support under IC 21-3-1.6;

of the school corporation in which the school receiving the monetary award is located.

Sec. 7. The department shall establish guidelines necessary to implement this chapter.

SECTION 16. IC 20-32 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,

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2005]:

ARTICLE 32. STUDENT STANDARDS, ASSESSMENTS, AND PERFORMANCE

Chapter 1. Applicability

Sec. 1. This article applies only to the following:

(1) Public schools.

(2) Nonpublic schools that voluntarily have become accredited under IC 20-19-2-8.

Chapter 2. Definitions

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

Sec. 2. "Academic standards" refers to the statewide academic standards developed under IC 20-31-3 indicating the skills and knowledge base expected of a student at a particular grade level for a particular subject area.

Sec. 3. "Student" means an individual who is enrolled in:

(1) a public school;

(2) an accredited nonpublic school; or

(3) another nonpublic school that has requested and received from the state board specific approval of the school's educational program.

Chapter 3. Secondary Certificates of Achievement

Sec. 1. As used in this chapter, "requisite proficiency" refers to the satisfaction by a student of the standards approved by the:

(1) state board under section 4(a)(3) of this chapter to receive a secondary level certificate of achievement in an academic field; or

(2) workforce proficiency panel within the department of workforce development under section 4(a)(3) of this chapter to receive a secondary level certificate of achievement in a technical field.

Sec. 2. As used in this chapter, "student" refers to a student who meets the following conditions:

(1) Is enrolled in a public school, an accredited nonpublic school, or a nonpublic school that has requested and received from the state board specific approval for the school's education program.

(2) Is in at least grade 9.

(3) If the student is a child with a disability (as defined in IC 20-35-1-2), would benefit from the participation under this chapter as determined by the individualized education program for the student.

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Sec. 3. As used in this chapter, "subject or skill areas" refers to specific and identifiable technically related and academically related subjects or skills.

Sec. 4. (a) The state board, concerning academic fields of study, and the workforce proficiency panel within the department of workforce development, concerning technical fields of study, shall adopt for statewide implementation the following:

(1) Different subject or skill areas in which students may be given the opportunity to do the following:

(A) Demonstrate the requisite proficiency.

(B) Be awarded a secondary level certificate of achievement.

(2) The instrument or assessment by which a student is given the opportunity to demonstrate the requisite proficiency.

(3) The standards required for each subject or skill area necessary to acquire a particular secondary level certificate of achievement.

(b) Regarding the academic field of study, a student may elect to earn academic certificates of achievement in areas designated by the state board through the advanced placement program (as defined in IC 20-36-3-3) or another appropriate assessment designated by the state board.

(c) The state board may adopt rules to implement this chapter relating to the certificates of achievement for academic fields of study.

Sec. 5. (a) In making adoptions under section 4 of this chapter, the state board or the workforce proficiency panel within the department of workforce development shall consider the following factors:

(1) The overall value of the particular subject or skill area to a broad range of students and the workforce.

(2) The transferability of the particular subject or skill area to other subject or skill areas.

(3) Providing, as equally as possible, opportunities for certificates of achievement in both technical and academic fields.

(4) Regarding technical skill areas, the number of public schools in Indiana that offer technical programs in the particular skill areas.

(5) Any other factor that the state board or the workforce proficiency panel within the department of workforce development considers significant.

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(b) The state board and the department of workforce development shall cooperate with each other to implement this chapter.

Sec. 6. The secondary level certificate of achievement assessment instruments must provide each student with the opportunity to demonstrate the requisite proficiency in the subject or skill area in an applied manner as appropriate.

Sec. 7. (a) Each student participating in the technology preparation curriculum under IC 20-30-12 or the college preparation curriculum under IC 20-30-10 may elect to pursue a certificate of achievement in an academic area. Unless the governing body requires the acquisition of secondary level academic certificates of achievement for graduation, the certificates of achievement are not a requirement for graduation.

(b) For every secondary level technical education program for which an appropriate secondary level technical certificate of achievement is available, each student is required to undergo the appropriate technical certificate of achievement assessment. Unless the governing body requires the acquisition of the secondary level technical certificate of achievement for graduation, the certificates of achievement are not a requirement for graduation.

Sec. 8. Any secondary level or postsecondary level (under IC 20-12-1-10) certificates of achievement that a student earns shall be recorded in the student's official high school transcript.

Sec. 9. A student who:

(1) receives a secondary level certificate of achievement in a particular subject or skill area; and

(2) satisfies the standards for receipt of academic credit as determined by a state educational institution (as defined in IC 20-12-0.5-1);

may receive postsecondary level academic credit at the state educational institution for the secondary level certificate of achievement as set forth in IC 20-12-1-9.

Sec. 10. A student who undergoes an advanced placement examination under IC 20-36-3 and receives a satisfactory score on the advanced placement examination is entitled to receive a certificate of achievement for the particular subject area in which the student was tested.

Sec. 11. This chapter does not require a school corporation to offer opportunities for secondary level or postsecondary level certificates of achievement in subject and skill areas in which the school corporation does not offer a program.

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Sec. 12. The state board shall do the following:

(1) Make the academically related secondary level certificate of achievement assessment instruments available to the department of workforce development for the department of workforce development's use in offering adult learners the opportunity to demonstrate the requisite proficiency in the particular subject and skill areas.

(2) Authorize the department of workforce development to award the particular certificates of achievement to those individuals who demonstrate the requisite proficiency.

Sec. 13. The state board shall, in cooperation with the Indiana commission on vocational and technical education within the department of workforce development, adopt rules under IC 4-22-2 to implement this chapter, including rules concerning the administration of the secondary level certificates of achievement by the department of workforce development.

Chapter 4. Graduation Requirements

Sec. 1. A student must meet:

(1) the academic standards tested in the graduation examination; and

(2) any additional requirements established by the governing body of the student's school corporation;

to be eligible to graduate.

Sec. 2. A student who does not meet the academic standards tested in the graduation examination shall be given the opportunity to be tested during each semester of each grade following the grade in which the student is initially tested until the student achieves a passing score.

Sec. 3. A student who does not achieve a passing score on the graduation examination may be eligible to graduate if all the following occur:

(1) The principal of the school the student attends certifies that the student will within one (1) month of the student's scheduled graduation date successfully complete all components of the Core 40 curriculum as established by the state board under IC 20-30-10-1.

(2) The student otherwise satisfies all state and local graduation requirements.

Sec. 4. A student who does not achieve a passing score on the graduation examination and who does not meet the requirements of section 3 of this chapter may be eligible to graduate if the student does all the following:

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(1) Takes the graduation examination in each subject area in which the student did not achieve a passing score at least one (1) time every school year after the school year in which the student first takes the graduation examination.

(2) Completes remediation opportunities provided to the student by the student's school.

(3) Maintains a school attendance rate of at least ninety-five percent (95%) with excused absences not counting against the student's attendance.

(4) Maintains at least a "C" average or the equivalent in the courses comprising the credits specifically required for graduation by rule of the state board.

(5) Obtains a written recommendation from a teacher of the student in each subject area in which the student has not achieved a passing score. The recommendation must:

(A) be concurred in by the principal of the student's school; and

(B) be supported by documentation that the student has attained the academic standard in the subject area based on:

(i) tests other than the graduation examination; or

(ii) classroom work.

(6) Otherwise satisfies all state and local graduation requirements.

Sec. 5. (a) This section applies to a student who is a child with a disability (as defined in IC 20-35-1-2).

(b) If the student does not achieve a passing score on the graduation examination, the student's case conference committee may determine that the student is eligible to graduate if the case conference committee finds the following:

(1) The student's teacher of record, in consultation with a teacher of the student in each subject area in which the student has not achieved a passing score, makes a written recommendation to the case conference committee. The recommendation must:

(A) be concurred in by the principal of the student's school; and

(B) be supported by documentation that the student has attained the academic standard in the subject area based on:

(i) tests other than the graduation examination; or

(ii) classroom work.

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(2) The student meets all the following requirements:

(A) Retakes the graduation examination in each subject area in which the student did not achieve a passing score as often as required by the student's individualized education program.

(B) Completes remediation opportunities provided to the student by the student's school to the extent required by the student's individualized education program.

(C) Maintains a school attendance rate of at least ninety-five percent (95%) to the extent required by the student's individualized education program with excused absences not counting against the student's attendance.

(D) Maintains at least a "C" average or the equivalent in the courses comprising the credits specifically required for graduation by rule of the state board.

(E) Otherwise satisfies all state and local graduation requirements.

Chapter 5. Indiana Statewide Testing for Educational Progress

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

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

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

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

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

(A) The overall academic progress of students.

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

(C) The need to terminate existing educational programs.

(D) Student readiness for postsecondary school experiences.

(E) Overall curriculum development and revision activities.

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

(G) Diagnosing individual student needs.

(H) Teacher training and staff development activities.

Sec. 2. ISTEP program testing shall be administered in the following subject areas:

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(1) English/language arts.

(2) Mathematics.

(3) Science, in grade levels determined by the state board.

(4) Social studies, in grade levels determined by the state board.

Sec. 3. To carry out the purposes described in section 1 of this chapter, each English/language arts and mathematics test developed for use under the ISTEP program test must include the following:

(1) A method of testing basic skills appropriate for the designated grade level, including multiple choice questions.

(2) A method of testing applied skills appropriate for the designated grade level, including short answer or essay questions and the solving of arithmetic or mathematical problems.

(3) A method of testing and grading that will allow comparison with national and international academic standards.

Sec. 4. (a) The state board shall:

(1) authorize the development and implementation of the ISTEP program; and

(2) determine the date on which the statewide testing is administered in each school corporation.

(b) The state superintendent is responsible for the overall development, implementation, and monitoring of the ISTEP program.

(c) The department shall prepare detailed design specifications for the ISTEP program that must do the following:

(1) Take into account the academic standards adopted under IC 20-31-3.

(2) Include testing of students' higher level cognitive thinking in each subject area tested.

Sec. 5. The department shall make general language arts essay scoring rubrics available to the public at least four (4) months before the administration of a test. An essay question, a scoring rubric, or an anchor paper used in the ISTEP program must comply with the following:

(1) For an essay question, have a prompt that is taken from:

(A) a textbook on the state textbook adoption list included in IC 20-20-5; or

(B) a source other than a source listed in clause (A) that is approved by the ISTEP program citizens' review

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committee established under IC 20-32-6.

(2) Not seek or compile information about a student's:

(A) personal attitudes;

(B) political views;

(C) religious beliefs;

(D) family relationships; or

(E) other matters listed in IC 20-30-5-17(b).

The ISTEP program citizens' review committee shall determine whether an essay question or a scoring rubric complies with this subdivision.

Sec. 6. The scoring of student responses under an ISTEP program test:

(1) must measure student achievement relative to the academic standards established by the state board;

(2) must adhere to scoring rubrics and anchor papers; and

(3) may not reflect the scorer's judgment of the values expressed by a student in the student's responses.

Sec. 7. This subsection applies to reports of scores in mathematics and English/language arts. Reports must:

(1) provide scores indicating student performance relative to each of the academic standards:

(A) established by the state board; and

(B) assessed by the test;

(2) be related to passing scores established by the state board; and

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

(A) Individual student.

(B) Classroom.

(C) School.

(D) School corporation.

(E) Indiana.

Sec. 8. Reports of student scores must be:

(1) returned to the school corporation that administered the test; and

(2) accompanied by a guide for interpreting scores.

Sec. 9. (a) After reports of student scores are returned to a school corporation, the school corporation shall promptly do the following:

(1) Give each student and the student's parent the student's ISTEP program test scores.

(2) Make available for inspection to each student and the

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student's parent the following:

(A) A copy of the essay questions and prompts used in assessing the student.

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

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

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

(b) A student's ISTEP program scores may not be disclosed to the public.

Sec. 10. After a school receives score reports, the school shall schedule a parent/teacher conference with the following:

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

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

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

(B) the proposed remediation plan for the student.

Sec. 11. Each school corporation shall compile the total results of the ISTEP program tests in a manner that will permit evaluation of learning progress within the school corporation. The school corporation shall make the compilation of test results available for public inspection and shall provide that compilation to the parent of each student tested under the ISTEP program.

Sec. 12. The department shall develop a format for the publication by school corporations in an annual performance report required by statute of appropriate academic information required by the department, including ISTEP program test scores, in a manner that a reasonable person can easily read and understand.

Sec. 13. The school corporation shall provide the ISTEP program test results on a school by school basis to the department upon request.

Sec. 14. Upon request by the commission for higher education, the department shall provide ISTEP program test results to the commission for those students for whom the commission under 20 U.S.C. 1232g has obtained consent.

Sec. 15. (a) The state superintendent shall develop an ISTEP program testing schedule in which:

(1) each student in grades 3, 6, 8, and 10 must be tested; and

(2) each student in grade 10 must take a graduation

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examination.

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

Sec. 16. (a) A student who is a child with a disability (as defined in IC 20-35-1-2) shall be tested under this chapter with appropriate accommodations in testing materials and procedures unless the individuals who develop the child's individualized education program determine that testing or a part of the testing under this chapter is not appropriate for the student and that an alternate assessment will be used to test the student's achievement.

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

(1) participation in testing under this chapter;

(2) receiving accommodations in testing materials and procedures;

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

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

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

Sec. 17. (a) If a nonpublic school seeks accreditation as authorized under IC 20-19-2-8(a)(5), the governing body of the nonpublic school is entitled to acquire at no charge from the department:

(1) the ISTEP program test; and

(2) the scoring reports used by the department.

(b) The nonpublic school seeking accreditation must:

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

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

Sec. 18. (a) The department shall establish a pilot program to examine innovative testing methods.

(b) The department shall select a representative sample of school corporations determined through an application procedure to participate in the pilot program under this section.

(c) The types of methods authorized under this program include the following:

(1) Recently developed techniques for measuring higher order thinking skills.

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(2) Performance testing of academic standards that are difficult to measure by a written test format.

(3) Expanded subject area assessment using student writing samples.

(d) The funds necessary to implement a pilot program under this section shall be expended from the research and development program under IC 20-20-11.

Sec. 19. If state funds appropriated for remediation are available under IC 20-32-8 at the end of a state fiscal year, the funds:

(1) do not revert to the state general fund; and

(2) must be transferred to the 4R's technology program for use under IC 20-20-13-9.

Sec. 20. (a) The contractor that the department engages for scoring tests shall identify locations in Indiana that provide a supply of labor and other resources necessary to provide scoring services for the program.

(b) The contractor shall relocate to Indiana the contractor's facilities for scoring the applied skills parts of tests given under section 6 of this chapter.

Sec. 21. (a) The state board may require schools to participate in national or international assessments.

(b) The state board may establish an assessment to be administered at the conclusion of each Core 40 course in English/language arts, mathematics, social studies, and science. However, participation in a Core 40 assessment established under this subsection must be voluntary on the part of a school corporation.

(c) The state board may establish a diagnostic reading assessment for use in grades 1 and 2 to promote grade level reading competency by grade 3. However, participation in a reading assessment established under this subsection must be voluntary on the part of a school corporation.

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

Chapter 6. ISTEP Program Citizens' Review Committee

Sec. 1. As used in this chapter, "committee" refers to the ISTEP program citizens' review committee.

Sec. 2. The ISTEP program citizens' review committee is established.

Sec. 3. The committee has fifteen (15) members appointed as follows:

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(1) The governor and state superintendent shall appoint seven (7) lay members.

(2) The speaker of the house of representatives shall appoint four (4) members, selected as follows:

(A) Two (2) members of the house of representatives from different political parties.

(B) Two (2) persons who:

(i) are not members of the general assembly; and

(ii) have an interest in education.

(3) The president pro tempore of the senate shall appoint four (4) members, selected as follows:

(A) Two (2) members of the senate from different political parties.

(B) Two (2) persons who:

(i) are not members of the general assembly; and

(ii) have an interest in education.

Sec. 4. Each member of the committee who is not a state employee is entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b) and reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

Sec. 5. Each member of the committee who is a state employee but who is not a member of the general assembly is entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

Sec. 6. Each member of the committee who is a member of the general assembly is entitled to receive the same per diem, mileage, and travel allowances paid to members of the general assembly serving on interim study committees established by the legislative council.

Sec. 7. The state superintendent shall:

(1) convene the committee before a pilot test is conducted; and

(2) present items listed in section 8 of this chapter to the committee for the committee's review.

Sec. 8. The committee shall review the following that the department proposes for use in the ISTEP program:

(1) Essay questions and prompts.

(2) Scoring rubrics.

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The committee must review an item listed in subdivisions (1) and (2) before the item is used in a test.

Sec. 9. The committee must reach a consensus on each item listed in section 8 of this chapter before the item may be used in the ISTEP program.

Sec. 10. The department shall make available anchor papers for review by the committee as soon as the department selects the anchor papers.

Chapter 7. Local Student Diagnostic Assessment and Student Portfolios

Sec. 1. A decision requiring a student who is a child with a disability (as defined in IC 20-35-1-2) to undergo a student diagnostic assessment under this chapter or be retained at a particular grade level shall be made in accordance with the disabled student's individualized education program and federal law.

Sec. 2. Each school may authorize the school's teachers to administer student diagnostic assessments to allow the teachers to make detailed individual assessments of the educational progress of students in grade levels designated by the state board.

Sec. 3. The department shall make available to schools optional student diagnostic tools such as actual assessment instruments or computer banks containing appropriate essential skills items to assist schools in implementing the diagnostic assessments.

Sec. 4. After a governing body holds a public hearing on a proposed portfolio program, the governing body may establish a portfolio program to maintain a portfolio of a student's work at grade levels designated by the governing body.

Sec. 5. The governing body shall develop guidelines for the portfolio program, including guidelines governing the appropriate contents of the portfolios.

Sec. 6. Upon the written consent of:

(1) the student; or

(2) if the student is not emancipated, the student's parent;

the contents of the student's portfolio may be disclosed to a student's prospective employer.

Chapter 8. Remediation

Sec. 1. As used in this chapter, "grant" refers to a grant under the remediation grant program established under this chapter.

Sec. 2. As used in this chapter, "program" refers to the remediation grant program established under this chapter.

Sec. 3. As used in this chapter, "student" means any individual

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who is enrolled in a school corporation.

Sec. 4. The remediation grant program is established to provide grants to school corporations for the following:

(1) Remediation of students who score below academic standards.

(2) Preventive remediation for students who are at risk of falling below academic standards.

(3) For students in a freeway school or freeway school corporation who are assessed under a locally adopted assessment program under IC 20-26-15-6(7):

(A) remediation of students who score below academic standards under the locally adopted assessment program; and

(B) preventive remediation for students who are at risk of falling below academic standards under the locally adopted assessment program.

Sec. 5. The department shall do the following:

(1) Subject to section 6 of this chapter, develop a formula to be approved by the state board, reviewed by the budget committee, and approved by the budget agency for the distribution of grants to school corporations.

(2) Distribute grant funds according to the formula.

(3) Determine standards for remediation programs to be funded under the program.

(4) Administer the program.

Sec. 6. The formula the department develops under this chapter must provide the following:

(1) Each school corporation must be able to qualify for a grant.

(2) A maximum grant amount must be determined for each school corporation.

(3) The amount that a school corporation may receive per student must be related to:

(A) the percentage of students scoring below state achievement standards; or

(B) for a freeway school or freeway school corporation having a locally adopted assessment program, the percentage of students falling below achievement standards under the locally adopted assessment program.

The school corporation having the highest percentage of students scoring below state achievement standards must be entitled to the highest grant amount per student.

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(4) The actual grant to a school corporation must be the lesser of:

(A) two hundred percent (200%) of the amount appropriated by the governing body of the school corporation under section 7 of this chapter; or

(B) the maximum grant amount determined for the school corporation under subdivision (2).

(5) The amount distributed to school corporations under the program may not exceed the appropriation by the general assembly for the remediation grant program.

Sec. 7. A school corporation qualifies to receive a grant when the governing body of the school corporation appropriates money from the general fund of the school corporation for a:

(1) remediation program; or

(2) preventive remediation program;

that meets the state board's standards for funding under the program, and, if the program is a preventive remediation program, that has been approved by the state board.

Sec. 8. The governing body of a school corporation may establish a remediation program or a preventive remediation program under this chapter for all students who fall below the academic standards adopted under IC 20-31-3. The governing body shall spend money under this chapter for direct remediation or direct preventative remediation services for students.

Sec. 9. If the governing body decides to establish a remediation program or preventive remediation program under this chapter, the governing body must:

(1) subject to section 10 of this chapter, determine the type of program that best fits the needs of the students of the school corporation; and

(2) adopt guidelines for:

(A) procedures for determining student eligibility for a program; and

(B) implementation of the program.

Sec. 10. If the governing body decides to offer a preventive remediation program, the governing body shall consider including a reading recovery program.

Sec. 11. Notwithstanding the requirements of this chapter, any decisions made with regard to:

(1) attendance in a remediation program;

(2) ISTEP program testing; and

(3) the grade level placement;

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

Sec. 12. The department shall develop curriculum guidelines for use by each school corporation in developing its remediation program under this chapter.

Sec. 13. The state board shall adopt rules under IC 4-22-2 to implement this chapter.

SECTION 17. IC 20-33 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

ARTICLE 33. STUDENTS: GENERAL PROVISIONS

Chapter 1. Equal Educational Opportunity

Sec. 1. The following is the public policy of the state:

(1) To provide equal, nonsegregated, nondiscriminatory educational opportunities and facilities for all, regardless of race, creed, national origin, color, or sex.

(2) To provide and furnish public schools and common schools equally open to all and prohibited and denied to none because of race, creed, color, or national origin.

(3) To reaffirm the principles of the Bill of Rights, civil rights, and the Constitution of the State of Indiana.

(4) To provide for the state and the citizens of Indiana a uniform democratic system of public and common school education.

(5) To abolish, eliminate, and prohibit segregated and separate schools or school districts on the basis of race, creed, or color.

(6) To eliminate and prohibit segregation, separation, and discrimination on the basis of race, color, or creed in the public kindergartens, common schools, public schools, vocational schools, colleges, and universities of Indiana.

Sec. 2. The public schools of Indiana are open to all children until the children complete their courses of study, subject to the authority vested in school officials by law.

Sec. 3. (a) The governing body of a school corporation and the board of trustees of a college or university may not build or erect, establish, maintain, continue, or permit any segregated or separate:

(1) public kindergartens;

(2) public schools or districts;

(3) public school departments or divisions; or

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(4) colleges or universities;

on the basis of race, color, creed, or national origin of pupils or students.

(b) The officials described in subsection (a) may take any affirmative actions that are reasonable, feasible, and practical to effect greater integration and to reduce or prevent segregation or separation of races in public schools for whatever cause, including:

(1) site selection; or

(2) revision of:

(A) school districts;

(B) curricula; or

(C) enrollment policies;

to implement equalization of educational opportunity for all.

(c) A school corporation shall review the school corporation's programs to determine if the school corporation's practices of:

(1) separating students by ability;

(2) placing students into educational tracks; or

(3) using test results to screen students;

have the effect of systematically separating students by race, color, creed, national origin, or socioeconomic class.

Sec. 4. (a) A student is entitled to be admitted and enrolled in the public or common school in the school corporation in which the student resides without regard to race, creed, color, socioeconomic class, or national origin.

(b) A student may not be prohibited, segregated, or denied attendance or enrollment to:

(1) a:

(A) public school;

(B) common school;

(C) junior high school; or

(D) high school;

in the student's school corporation; or

(2) a college or university in Indiana;

because of the student's race, creed, color, or national origin.

(c) Every student is free to attend:

(1) a:

(A) public school; or

(B) department or division of a public school; or

(2) college or university in Indiana;

within the laws applicable alike to noncitizen and nonresident students.

Sec. 5. (a) A:

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(1) public school;
(2) state college; or
(3) state university;

may not segregate, separate, or discriminate against any of its students on the basis of race, creed, or color.

(b) Admission to a public school may not be approved or denied on the basis of race, creed, or color.

Sec. 6. A:
(1) public school;
(2) state college; or
(3) state university;

may not discriminate in any way in the hiring, upgrading, tenure, or placement of any teacher on the basis of race, creed, color, or national origin.

Sec. 7. This chapter is supplemental to:
(1) all common law, statutory law, and civil rights applicable to the public schools, common schools, colleges, and universities; and
(2) the rights and remedies arising from these laws of the state and to the state's citizens.

Chapter 2. Compulsory School Attendance

Sec. 1. The legislative intent for this chapter is to provide an efficient and speedy means of insuring that students receive a proper education whenever it is reasonably possible.

Sec. 2. For the purposes of this chapter, "school year" has the meaning set forth in IC 21-2-12-3(h).

Sec. 3. This chapter applies to each situation that involves any of the following:
(1) A person less than eighteen (18) years of age who is domiciled in Indiana.
(2) A person less than eighteen (18) years of age who:
(A) is not domiciled in Indiana; and
(B) intends to remain in Indiana for a period established by rule of the state board.
(3) A student:
(A) who is less than eighteen (18) years of age;
(B) whose behavior has resulted in an expulsion from school; and
(C) who is assigned to attend:
(i) an alternative school; or
(ii) an alternative educational program.

Sec. 4. Subject to the specific exceptions under this chapter, a

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student shall attend either:

(1) a public school that the student is entitled to attend under IC 20-26-11; or

(2) another school taught in the English language.

Sec. 5. A student for whom education is compulsory under this chapter shall attend school each year for the number of days public schools are in session:

(1) in the school corporation in which the student is enrolled in Indiana; or

(2) where the student is enrolled if the student is enrolled outside Indiana.

Sec. 6. (a) A student is bound by the requirements of this chapter from the earlier of the date on which the student officially enrolls in a school or, except as provided in section 8 of this chapter, the beginning of the fall school term for the school year in which the student becomes seven (7) years of age until the date on which the student:

(1) graduates;

(2) becomes eighteen (18) years of age; or

(3) becomes sixteen (16) years of age but is less than eighteen (18) years of age and the requirements under section 9 of this chapter concerning an exit interview are met enabling the student to withdraw from school before graduation;

whichever occurs first.

(b) A student who:

(1) enrolls in school before the fall school term for the school year in which the student becomes seven (7) years of age; and

(2) is withdrawn from school before the school year described in subdivision (1) occurs;

is not subject to the requirements of this chapter until the student is reenrolled as required in subsection (a). This chapter shall not be construed to require that a student complete grade 1 before the student becomes eight (8) years of age.

Sec. 7. (a) In addition to the requirements of sections 4 through 6 of this chapter, a student must be at least five (5) years of age on July 1 of a school year to officially enroll in a kindergarten program offered by a school corporation. However, subject to subsection (c), the governing body of the school corporation shall adopt a procedure affording a parent of a student who does not meet the minimum age requirement set forth in this subsection the right to appeal to the superintendent for enrollment of the student in kindergarten at an age earlier than the age set forth in this

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subsection.

(b) In addition to the requirements of sections 4 through 6 of this chapter and subsection (a), and subject to subsection (c), if a student enrolls in school as allowed under section 6 of this chapter and has not attended kindergarten, the superintendent shall make a determination as to whether the student shall enroll in kindergarten or grade 1 based on the particular model assessment adopted by the governing body under subsection (c).

(c) To assist the principal and governing bodies, the department shall do the following:

(1) Establish guidelines to assist each governing body in establishing a procedure for making appeals to the superintendent under subsection (a).

(2) Establish criteria by which a governing body may adopt a model assessment that may be used in making the determination under subsection (b).

Sec. 8. A student is not bound by the requirements of this chapter until the student becomes seven (7) years of age, if, upon request of the superintendent of the school corporation, the parent of a student who would otherwise be subject to compulsory school attendance under section 6 of this chapter certifies to the superintendent that the parent intends to:

(1) enroll the student in a nonaccredited, nonpublic school; or

(2) begin providing the student with instruction equivalent to that given in the public schools as permitted under section 28 of this chapter;

not later than the date on which the student becomes seven (7) years of age.

Sec. 9. (a) The governing body of each school corporation shall designate the appropriate employees of the school corporation to conduct the exit interviews for students described in section 6(a)(3) of this chapter. Each exit interview must be personally attended by:

(1) the student's parent;

(2) the student;

(3) each designated appropriate school employee; and

(4) the student's principal.

(b) A student who is at least sixteen (16) years of age but less than eighteen (18) years of age is bound by the requirements of compulsory school attendance and may not withdraw from school before graduation unless:

(1) the student, the student's parent, and the principal agree

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to the withdrawal; and

(2) at the exit interview, the student provides written acknowledgment of the withdrawal and the:

(A) student's parent; and

(B) school principal;

each provide written consent for the student to withdraw from school.

Sec. 10. (a) Each public school shall and each private school may require a student who initially enrolls in the school to provide:

(1) the name and address of the school the student last attended; and

(2) a certified copy of the student's birth certificate or other reliable proof of the student's date of birth.

(b) Not more than fourteen (14) days after initial enrollment in a school, the school shall request the student's records from the school the student last attended.

(c) If the document described in subsection (a)(2):

(1) is not provided to the school not more than thirty (30) days after the student's enrollment; or

(2) appears to be inaccurate or fraudulent;

the school shall notify the Indiana clearinghouse for information on missing children established under IC 10-13-5-5 and determine if the student has been reported missing.

(d) A school in Indiana receiving a request for records shall send the records promptly to the requesting school. However, if a request is received for records to which a notice has been attached under IC 31-36-1-5 (or IC 31-6-13-6 before its repeal), the school:

(1) shall immediately notify the Indiana clearinghouse for information on missing children;

(2) may not send the school records without the authorization of the clearinghouse; and

(3) may not inform the requesting school that a notice under IC 31-36-1-5 (or IC 31-6-13-6 before its repeal) has been attached to the records.

Sec. 11. (a) Notwithstanding IC 9-24 concerning the minimum requirements for qualifying for the issuance of an operator's license or a learner's permit, and subject to subsections (c) through (e), an individual who is:

(1) at least thirteen (13) years of age but less than fifteen (15) years of age;

(2) a habitual truant under the definition of habitual truant established under subsection (b); and

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(3) identified in the information submitted to the bureau of motor vehicles under subsection (f);

may not be issued an operator's license or a learner's permit to drive a motor vehicle under IC 9-24 until the individual is at least eighteen (18) years of age.

(b) Each governing body shall establish and include as part of the written copy of its discipline rules described in IC 20-33-8-12:

(1) a definition of a child who is designated as a habitual truant;

(2) the procedures under which subsection (a) will be administered; and

(3) all other pertinent matters related to this action.

(c) An individual described in subsection (a) is entitled to the procedure described in IC 20-33-8-19.

(d) An individual described in subsection (a) who is at least thirteen (13) years of age and less than eighteen (18) years of age is entitled to a periodic review of the individual's attendance record in school to determine whether the prohibition described in subsection (a) shall continue. The periodic reviews may not be conducted less than one (1) time each school year.

(e) Upon review, the governing body may determine that the individual's attendance record has improved to the degree that the individual may become eligible to be issued an operator's license or a learner's permit.

(f) Before:

(1) February 1; and

(2) October 1;

of each year the governing body of the school corporation shall submit to the bureau of motor vehicles the pertinent information concerning an individual's ineligibility under subsection (a) to be issued an operator's license or a learner's permit.

(g) The department shall develop guidelines concerning criteria used in defining a habitual truant that may be considered by a governing body in complying with subsection (b).

Sec. 12. (a) A school that is:

(1) nonpublic;

(2) nonaccredited; and

(3) not otherwise approved by the state board;

is not bound by any requirements set forth in IC 20 or IC 21 with regard to curriculum or the content of educational programs offered by the school.

(b) This section may not be construed to prohibit a student who

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attends a school described in subsection (a) from enrolling in a particular educational program or participating in a particular educational initiative offered by an accredited public, nonpublic, or state board approved nonpublic school if:

(1) the governing body or superintendent, in the case of the accredited public school; or

(2) the administrative authority, in the case of the accredited or state board approved nonpublic school;

approves the enrollment or participation by the student.

Sec. 13. (a) A school corporation shall record or include the following information in the official high school transcript for a student in high school:

(1) Attendance records.

(2) The student's latest ISTEP program test results under IC 20-32-5.

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

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

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

Sec. 14. (a) This section and sections 15 through 17 of this chapter apply to a student who attends either a public school or a nonpublic school.

(b) Service as a page for or as an honoree of the general assembly is a lawful excuse for a student to be absent from school, when verified by a certificate of the secretary of the senate or the chief clerk of the house of representatives. A student excused from school attendance under this section may not be recorded as being absent on any date for which the excuse is operative and may not be penalized by the school in any manner.

Sec. 15. (a) The governing body of a school corporation and the chief administrative official of a nonpublic secondary school system shall authorize the absence and excuse of each secondary school student who serves:

(1) on the precinct election board; or

(2) as a helper to a political candidate or to a political party on the date of each general, city or town, special, and primary election at which the student works.

(b) Before the date of the election, the student must submit a document signed by one (1) of the student's parents giving

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permission to participate in the election as provided in this section, and the student must verify to school authorities the performance of services by submitting a document signed by the candidate, political party chairman, campaign manager, or precinct officer generally describing the duties of the student on the date of the election. A student excused from school attendance under this section may not be recorded as being absent on any date for which the excuse is operative and may not be penalized by the school in any manner.

Sec. 16. The governing body of a school corporation or the chief administrative officer of a nonpublic school system shall authorize the absence and excuse of a student who is issued a subpoena to appear in court as a witness in a judicial proceeding. A student excused under this section shall not be recorded as being absent on any date for which the excuse is operative and shall not be penalized by the school in any manner. The appropriate school authority may require that the student submit the subpoena to the appropriate school authority for verification.

Sec. 17. The governing body of a school corporation or the chief administrative officer of a nonpublic school system shall authorize the absence and excuse of each secondary school student who is ordered to active duty with the Indiana National Guard for not more than ten (10) days in a school year. For verification, the student must submit to school authorities a copy of the orders to active duty and a copy of the orders releasing the student from active duty. A student excused from school attendance under this section may not be recorded as being absent on any date for which the excuse is operative and may not be penalized by the school in any manner.

Sec. 18. (a) If a parent of a student does not send the student to school because of the student's illness or mental or physical incapacity, it is unlawful for the parent to fail or refuse to produce a certificate of the illness or incapacity for an attendance officer not later than six (6) days after the certificate is demanded.

(b) The certificate required under this section must be signed by:

(1) an Indiana physician;

(2) an individual holding a license to practice osteopathy or chiropractic in Indiana; or

(3) a Christian Science practitioner who resides in Indiana and is listed in the Christian Science Journal.

Sec. 19. (a) When the parent of a student who is enrolled in a

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public school makes a written request, the principal may allow the student to attend a school for religious instruction that is conducted by a church, an association of churches, or an association that is organized for religious instruction and incorporated under Indiana law.

(b) If a principal grants permission under subsection (a), the principal shall specify a period or periods, not to exceed one hundred twenty (120) minutes in total in any week, for the student to receive religious instruction. The permission is valid only for the year in which it is granted. Decisions made by a principal under this section may be reviewed by the superintendent.

(c) A school for religious instruction that receives students under this section:

(1) shall maintain attendance records and allow inspection of these records by attendance officers; and

(2) may not be supported, in whole or in part, by public funds.

(d) A student who attends a school for religious instruction under this section shall receive the same attendance credit that the student would receive for attendance in the public schools for the same length of time.

Sec. 20. (a) An accurate daily record of the attendance of each student who is subject to compulsory school attendance under this chapter shall be kept by every public and nonpublic school.

(b) In a public school, the record shall be open at all times for inspection by:

(1) attendance officers;

(2) school officials; and

(3) agents of the department of labor.

Every teacher shall answer fully all lawful inquiries made by an attendance officer, a school official, or an agent of the department of labor.

(c) In a nonpublic school, the record shall be required to be kept solely to verify the enrollment and attendance of a student upon request of the:

(1) state superintendent; or

(2) superintendent of the school corporation in which the nonpublic school is located.

Sec. 21. (a) Each principal and teacher in a public school that is attended by a student subject to the compulsory school attendance law under this chapter shall furnish, on request of the superintendent of the school corporation in which they are employed, a list of:

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(1) names;
(2) addresses; and
(3) ages;

of all minors attending the school. When a student withdraws from school, the principal and teacher shall immediately report to the superintendent the student's name and address and the date of the student's withdrawal.

(b) Each principal or school administrator in a nonpublic school that is attended by a student who is subject to the compulsory school attendance law under this chapter shall furnish, on request of the state superintendent, the number of students by grade level attending the school.

(c) If:

(1) a student withdraws from a nonpublic school; and
(2) no public or other nonpublic school has requested the student's educational records within fifteen (15) school days after the date the student withdrew from school;

the nonpublic school shall report to the state superintendent or the superintendent of the school corporation in which the nonpublic school is located, the name and address of the student and the date the student withdrew from school.

Sec. 22. (a) Not later than fifteen (15) school days after the beginning of each semester, the principal of a public high school shall send to the superintendent with jurisdiction over the school a list of names and last known addresses of all students:

(1) not graduated; and
(2) not enrolled in the then current semester who were otherwise eligible for enrollment.

(b) Each superintendent immediately shall make available all lists received under this section to an authorized representative of:

(1) Ivy Tech State College; and
(2) an agency whose purpose it is to enroll high school dropouts in various training programs.

(c) Each representative authorized to receive a list prepared under subsection (b) shall stipulate in writing that the list will be used only to contact prospective students or prospective trainees. If a list is used for any other purpose, the college or agency that the recipient represents is ineligible to receive subsequent lists for five (5) years.

Sec. 23. (a) Each school attendance officer, sheriff, marshal, and police officer in Indiana may take into custody any child who:

(1) is required to attend school under this chapter; and

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(2) is found during school hours, unless accompanied:

(A) by a parent; or

(B) with the consent of a parent, by a relative by blood or marriage who is at least eighteen (18) years of age;

in a public place, in a public or private conveyance, or in a place of business open to the public.

(b) When an officer takes a child into custody under this section, the officer shall immediately deliver the child to the principal of the public or nonpublic school in which the child is enrolled. If a child is not enrolled in any school, then the officer shall deliver the child into the custody of the principal of the public school in the attendance area in which the child resides. If a child is taken to the appropriate school and the principal is unavailable, the acting chief administrative officer of the school shall take custody of the child.

(c) The powers conferred under this section may be exercised without warrant and without subsequent legal proceedings.

Sec. 24. (a) When a child is delivered into the custody of a principal or acting chief administrative officer under section 23 of this chapter, the principal or officer shall immediately place the child in class in the grade or course of study in which the child is enrolled or to which the child may be properly assigned.

(b) A child who is placed in class under this section shall not be kept at school beyond the regular hour of dismissal on that day for the grade or course of study in which the child is placed. As promptly as reasonably possible after placing a child in class under this section, the principal or acting chief administrative officer shall attempt to advise the child's parent of the facts of the case by telephone. The principal or acting chief administrative officer shall advise the parent of the facts of the case by mail on the same day the principal or officer receives the child.

Sec. 25. The superintendent or an attendance officer having jurisdiction may report a child who is habitually absent from school in violation of this chapter to an intake officer of the juvenile court. The intake officer shall proceed in accord with IC 31-30 through IC 31-40.

Sec. 26. (a) It is the duty of each:

(1) superintendent;

(2) attendance officer; and

(3) state attendance official;

to enforce this chapter in their respective jurisdictions and to execute the affidavits authorized under this section. The duty is several, and the failure of one (1) or more to act does not excuse

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another official from the obligation to enforce this chapter.

(b) An affidavit against a parent for a violation of this chapter shall be prepared and filed in the same manner and under the procedure prescribed for filing affidavits for the prosecution of public offenses.

(c) An affidavit under this section shall be filed in the circuit court of the county in which the affected child resides. The prosecuting attorney shall file and prosecute actions under this section as in other criminal cases. The court shall promptly hear cases brought under this section.

Sec. 27. (a) It is unlawful for a parent to fail to ensure that the parent's child attends school as required under this chapter.

(b) Before proceedings are instituted against a parent for a violation of this section, personal notice of the violation shall be served on the parent by the superintendent or the superintendent's designee:

(1) having jurisdiction over the public school where the child has legal settlement; or

(2) of the transferee corporation, if the child has been transferred.

(c) Personal notice must consist of and take place at the time of the occurrence of one of the following events:

(1) The date of personal delivery of notice.

(2) The date of receipt of the notice sent by certified mail.

(3) The date of leaving notice at the last and usual place of the residence of the parent.

If the violation is not terminated not more than one (1) school day after this notice is given, or if another violation is committed during the notice period, no further notice is necessary. Each day of violation constitutes a separate offense.

Sec. 28. (a) This section does not apply during a period when a child is excused from school attendance under this chapter.

(b) It is unlawful for a parent to:

(1) fail;

(2) neglect; or

(3) refuse;

to send the parent's child to a public school for the full term as required under this chapter unless the child is being provided with instruction equivalent to that given in public schools.

Sec. 29. (a) It is unlawful for a person operating or responsible for:

(1) an educational;

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(2) a correctional;

(3) a charitable; or

(4) a benevolent institution or training school;

to fail to ensure that a child under the person's authority attends school as required under this chapter. Each day of violation of this section constitutes a separate offense.

(b) If a child is placed in an institution or facility under a court order, the institution or facility shall charge the county office of family and children of the county of the child's legal settlement under IC 12-19-7 for the use of the space within the institution or facility (commonly called capital costs) that is used to provide educational services to the child based upon a prorated per child cost.

Sec. 30. A school corporation having an average daily attendance of at least one thousand five hundred (1,500) students constitutes a separate attendance district.

Sec. 31. (a) In a county which has been completely reorganized into one (1) or more school corporations under IC 20-23-4, the governing body of each school corporation with at least one thousand five hundred (1,500) students in average daily attendance shall appoint an attendance officer. The governing body of each school corporation that has fewer than one thousand five hundred (1,500) students in average daily attendance may appoint an attendance officer. If the governing body of a school corporation that has discretion in whether or not to appoint an attendance officer declines to make an appointment, the superintendent of the school corporation shall serve as ex officio attendance officer under section 35 of this chapter.

(b) Whenever the governing body of a school corporation makes an appointment under this section, it shall appoint an individual nominated by the superintendent. However, the governing body may decline to appoint any nominee and require another nomination. The salary of each attendance officer appointed under this section shall be fixed by the governing body. In addition to salary, the attendance officer is entitled to receive reimbursement for actual expenses necessary to properly perform the officer's duties. The salary and expenses of an attendance officer appointed under this section shall be paid by the treasurer of the school corporation.

Sec. 32. (a) In a county that has not been completely reorganized under IC 20-23-4, the governing body of each school corporation that constitutes a separate attendance district under section 3 of

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this chapter shall appoint an attendance officer. One (1) additional attendance officer may be appointed for every seven thousand five hundred (7,500) students in average daily attendance in the corporation.

(b) Whenever the governing body of a school corporation makes an appointment under this section, it shall appoint an individual nominated by the superintendent. However, the governing body may decline to appoint any nominee and require another nomination. The salary of each attendance officer appointed under this section shall be fixed by the governing body. In addition to salary, the officer is entitled to receive reimbursement for actual expenses necessary to properly perform the officer's duties. The salary and expenses of an attendance officer appointed under this section shall be paid by the treasurer of the county in which the officer serves, on a warrant signed by the county auditor. The county council shall appropriate, and the board of county commissioners shall allow, the funds necessary to make these payments. However, a warrant shall not be issued to an attendance officer until the attendance officer has filed an itemized statement with the county auditor. This statement shall show the time employed and expenses incurred. The superintendent shall approve the statement and certify that it is correct.

Sec. 33. (a) In a county that has not been completely reorganized under IC 20-23-4, all school corporations that do not individually constitute separate attendance districts under section 30 of this chapter together constitute a remainder attendance district. The governing bodies of each remainder attendance district with at least one thousand five hundred (1,500) students in average daily attendance shall appoint an attendance officer. One (1) additional attendance officer may be appointed for every seven thousand five hundred (7,500) students in average daily attendance in the district. The governing bodies of a remainder attendance district with less than one thousand five hundred (1,500) students in average daily attendance may appoint an attendance officer. If the governing bodies have discretion in whether or not to appoint an attendance officer and decline to make an appointment, the superintendent or superintendents involved shall serve as ex officio attendance officers under section 35 of this chapter.

(b) The governing bodies of the school corporations involved shall together form an appointing authority for attendance officers with the governing body of each school corporation having one (1) vote. This appointing authority shall appoint an individual

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nominated by the superintendent. However, the appointing authority may reject any nominee and require another nomination. The salary of each attendance officer appointed under this section shall be fixed by the appointing authority. In addition to salary, the officer is entitled to receive reimbursement for actual expenses necessary to properly perform the officer's duties. The salary and expenses of an attendance officer appointed under this section shall be paid by the treasurer of the county in which the officer serves, on a warrant signed by the county auditor. The county council shall appropriate, and the board of county commissioners shall allow, the funds necessary to make these payments. However, a warrant may not be issued to an attendance officer until the officer has filed an itemized statement with the county auditor. This statement must show the time employed and expenses incurred. The appropriate superintendent shall approve the statement and certify that it is correct.

Sec. 34. (a) This section applies to a county having a population of:

(1) more than twenty-seven thousand (27,000) but less than twenty-seven thousand two hundred (27,200); or

(2) more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000).

(b) Notwithstanding sections 32 and 33 of this chapter, in a county that has not been completely reorganized under IC 20-23-4, the governing body of each school corporation constituting a separate attendance district under section 30 of this chapter shall appoint an attendance officer. One (1) additional attendance officer may be appointed for every seven thousand five hundred (7,500) students in average daily attendance in the school corporation. The governing body of each school corporation that does not individually constitute a separate attendance district may appoint an attendance officer.

(c) If the governing body of the school corporation makes an appointment under this section, it shall appoint an individual who is nominated by the superintendent of the school corporation. However, the governing body may decline to appoint a nominee and may require another nomination to be made by the superintendent. If the governing body has discretion in whether to appoint an attendance officer under subsection (b) and declines to make an appointment, the superintendent of the school corporation involved shall serve as ex officio attendance officer under section 35 of this chapter.

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(d) The salary, including fringe benefits, of each attendance officer appointed under this section shall be fixed by the governing body of the school corporation and shall be paid by the treasurer of the school corporation.

(e) Each attendance officer appointed under this section is entitled to receive reimbursement from the school corporation for the actual and necessary expenses incurred by the attendance officer in the proper performance of the attendance officer's duties.

Sec. 35. If the governing body of a school corporation elects not to appoint an attendance officer under section 31 of this chapter or an appointing authority elects not to appoint an attendance officer under section 33 of this chapter, the superintendent shall serve as an ex officio attendance officer. A superintendent acting in this capacity may designate one (1) or more teachers as assistant attendance officers. These assistant attendance officers shall act under the superintendent's direction and perform the duties the superintendent assigns. Ex officio attendance officers and assistant attendance officers appointed under this section shall receive no additional compensation for performing attendance services.

Sec. 36. The governing bodies of two (2) or more school corporations may enter into a voluntary mutual agreement for the joint employment of an attendance officer. The agreement must stipulate the manner in which the joint attendance officer is appointed, paid, and supervised. The attendance officer may then be appointed, paid, and supervised under the terms of the agreement. However, compensation for any attendance officer employed under this section shall be paid entirely by the school corporations involved with no assistance from the civil government.

Sec. 37. The governing body of a school corporation that has fewer than one thousand five hundred (1,500) students in average daily attendance may organize the school corporation as a separate attendance district and appoint an attendance officer. The governing body, in making the appointment, shall appoint an individual nominated by the superintendent. However, it may decline to appoint any nominee and require another nomination. All compensation for an attendance officer appointed under this section shall be paid by the treasurer of the school corporation in which the officer is employed.

Sec. 38. Any school corporation, attendance district, or remainder attendance district may appoint more attendance officers than are specifically authorized or required under this

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chapter. However, these additional attendance officers shall be appointed in the same manner as required by law for other attendance officers. Compensation for additional attendance officers appointed under this section shall be paid entirely by the school corporation or school corporations involved.

Sec. 39. An attendance officer has the following duties:

(1) To serve subject to the rules, direction, and control of the superintendent in the attendance officer's attendance district.

(2) To maintain an office at a place designated by the superintendent.

(3) To be on duty during school hours and at other times as the superintendent may request.

(4) To keep records and make reports as required by the state board.

(5) To visit the homes of children who are absent from school or who are reported to be in need of books, clothing, or parental care.

(6) Whenever the superintendent directs or approves it, to bring suit to enforce any provision of this chapter that is being violated.

(7) To serve written notice on any parent whose child is out of school illegally.

(8) To visit factories where children are employed.

(9) To perform other duties necessary for complete enforcement of this chapter.

Sec. 40. (a) Each attendance officer may serve original and other process in cases arising under this chapter.

(b) An attendance officer may enter any place where a child is employed to determine whether violations of this chapter or of IC 20-33-3 have occurred. When an attendance officer or a school official is exercising the power granted under this subsection, any officer, manager, director, employee or other person who refuses to permit the attendance officer's or the school official's entry into a place of business or interferes with his investigation in any way commits a violation of this chapter.

Sec. 41. With the exception of ex officio attendance officers, an individual may not hold the position of attendance officer unless the individual has complied with all standards of the professional standards board and has been properly licensed by that body.

Sec. 42. The state superintendent shall:

(1) prescribe duties for the state attendance officer not provided by law;

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(2) fix qualifications for local attendance officers;

(3) design and require use of a system of attendance reports, records, and forms necessary for the enforcement of this chapter; and

(4) perform all other duties necessary for the complete enforcement of this chapter.

Sec. 43. (a) The state superintendent shall appoint a state attendance officer. The state attendance officer serves at the pleasure of the state superintendent and may be removed by the state superintendent at any time.

(b) The state attendance officer shall:

(1) exercise general supervision over the attendance officers of Indiana;

(2) visit the various attendance districts throughout Indiana;

(3) inspect the work of the attendance officers; and

(4) investigate the manner in which this chapter is being enforced.

(c) The state attendance officer may initiate court action whenever necessary for the enforcement of this chapter.

Sec. 44. (a) This section does not apply to section 47 of this chapter.

(b) A person who knowingly violates this chapter commits a Class B misdemeanor.

Sec. 45. (a) The state board shall exercise general supervision by resolution over the attendance system of the state.

(b) The state board may adopt rules under IC 4-22-2 pertaining to the state attendance system and the enforcement of this chapter.

Sec. 46. (a) With the approval of the state board, a superintendent may exclude or excuse a student found mentally or physically unfit for school attendance. An exclusion or excuse under this section is valid only for the school year during which it is issued.

(b) A superintendent's action under this section must be in accordance with limitations and regulations established by the state board concerning the procedures and requirements for the complete examination of students.

(c) A student may not be compelled to undergo any examination or treatment under this chapter when the student's parent objects on religious grounds, which consists of a good faith reliance on spiritual means or prayer for healing. The objection is not effective unless it is:

(1) made in writing;

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(2) signed by the student's parent; and

(3) delivered to the student's teacher or to the individual who might order an examination or treatment absent the objection.

A student may not be excluded under this section except as provided under IC 20-33-8.

Sec. 47. (a) A school corporation may develop and implement a system of notifying the parent of a student when:

(1) the student fails to attend school; and

(2) the student does not have an excused absence for that day.

(b) A school corporation or an accredited nonpublic school shall report to the local health department the percentage of student absences above a threshold determined by the department by rule adopted under IC 4-22-2.

(c) If a school corporation implements a notification system under this chapter, the attendance officer or the attendance officer's designee shall make a reasonable effort to contact by telephone the parent of each student who has failed to attend school and does not have an excused absence for that day.

(d) If an attendance officer or an attendance officer's designee has made a reasonable effort to contact a parent under subsection (c), the school corporation is immune from liability for any damages suffered by the parent claimed because of failure to contact the parent.

Chapter 3. Limitations on the Employment of Students

Sec. 1. This chapter does not apply to a parent who employs the parent's own child or a person standing in place of a parent who employs a child in the person's custody, except for:

(1) underage employment (section 31(a) of this chapter);

(2) employment during school hours (section 31(b) of this chapter); and

(3) employment in hazardous occupations designated by federal law (section 35 of this chapter).

Sec. 2. As used in this chapter, "nonschool week" refers to a week that contains two (2) or fewer school days.

Sec. 3. As used in this chapter, "school day" refers to a day that contains more than four (4) hours of classroom instruction.

Sec. 4. As used in this chapter, "school week" refers to a week that contains at least three (3) school days.

Sec. 5. It is unlawful for a person, firm, limited liability company, or corporation to hire, employ, or permit a child who is:

(1) at least fourteen (14) years of age; and

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(2) less than eighteen (18) years of age;

to work in a gainful occupation until the person, firm, limited liability company, or corporation has secured and placed on file in its office an employment certificate issued by the proper issuing officer under this chapter.

Sec. 6. (a) An employment certificate is not required for a child who is at least fourteen (14) years of age but less than eighteen (18) years of age to:

(1) perform:

(A) farm labor; or

(B) domestic service; or

(2) act as a:

(A) caddie for a person playing golf; or

(B) newspaper carrier.

However, this exemption applies only when a child is engaged in an occupation listed in this section during the hours when the child is not required to be in school.

(b) An employment certificate is not required for a child less than eighteen (18) years of age who:

(1) works as an actor or performer if the provisions of section 32 of this chapter are met; or

(2) has graduated from high school.

Sec. 7. (a) This chapter applies to a child less than eighteen (18) years of age who is employed or is seeking employment in Indiana.

(b) A child less than eighteen (18) years of age who is a resident of Indiana and who requires an employment certificate shall obtain the employment certificate from the issuing officer of the:

(1) accredited school (as described in IC 20-19-2-8(a)(5)) that the child attends; or

(2) school corporation in which the child resides.

(c) A child less than eighteen (18) years of age who is not a resident of Indiana and who requires an employment certificate to work in Indiana shall obtain the certificate from the issuing officer of the school corporation in which the child is:

(1) employed; or

(2) seeking employment.

The judge of a court with juvenile jurisdiction may suspend the application of this chapter in cases involving juvenile delinquents or incorrigibles whenever, in the opinion of the judge, the welfare of a child warrants this action.

Sec. 8. (a) The issuing officer in each accredited school (as described in IC 20-19-2-8(a)(5)) shall be an individual who is:

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(1) a guidance counselor;

(2) a school social worker; or

(3) an attendance officer for the school corporation and a teacher licensed by the professional standards board under IC 20-28-4 or IC 20-28-5;

and designated in writing by the principal.

(b) During the times in which the individual described in subsection (a) is not employed by the school or when school is not in session, there shall be an issuing officer available:

(1) who is a teacher licensed by the professional standards board under IC 20-28-4 or IC 20-28-5; and

(2) whose identity and hours of work shall be determined by the principal.

Sec. 9. When an employer wants to employ an individual who represents the individual's age to be at least eighteen (18) years of age but less than twenty-one (21) years of age, the employer may request the issuing officer to issue an employment certificate for the prospective employee. It is the duty of the issuing officer to issue a certificate when an employer makes a request under this section.

Sec. 10. (a) An issuing officer may issue an employment certificate only to a child whose employment is necessary and only after receipt of the following two (2) documents:

(1) Proof of age as set forth under section 11 of this chapter.

(2) Proof of prospective employment as set forth under section 12 of this chapter.

(b) A child seeking an employment certificate from a school the child does not attend must also present to the issuing officer a written statement that:

(1) is from the school the child does attend; and

(2) attests to the child's acceptable academic performance and attendance.

Sec. 11. (a) As proof of age, the issuing officer shall require one (1) of the following documents:

(1) A birth certificate or duly attested transcript of a birth certificate issued by the registrar of vital statistics or any other officer charged with the duty of recording births. The registrar may not charge a fee for a certificate or transcript as provided by IC 16-37-1-9(c)(2). School records of age that have been verified by a birth certificate may be substituted by the issuing officer for a birth certificate.

(2) A baptismal certificate or a certified transcript of the

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record of baptism showing the child's date of birth and place of baptism.

(3) Other documentation, including:

(A) a bona fide contemporary record of the child's birth, comprising a part of the family record of births in the Bible;

(B) other documentary evidence satisfactory to the department of labor, including a certificate of arrival in the United States issued by United States immigration officers and showing the child's age; or

(C) a life insurance policy.

Documentary evidence under this subdivision must have been in existence for at least one (1) year.

(4) A sworn statement by a public health physician, a public school physician, or the superintendent stating, in the opinion of the signatory, the child's physical age. This statement shall show the child's height and weight and other facts upon which the signatory's opinion is based. The physician's or superintendent's statement shall be accompanied by a statement of the child's age signed by the child's parent and by available school records.

(b) The documents that may constitute proof of age under this section are listed in preferential order. The issuing officer shall require the document of age under subsection (a)(1) in preference to a document under subsection (a)(2), (a)(3), or (a)(4). To avoid delay, the documents under subsection (a)(2), (a)(3), or (a)(4) may be accepted if the issuing officer files a written statement that verification of date of birth has been requested from the appropriate governmental agency but has not been received.

Sec. 12. (a) As proof of prospective employment, the issuing officer shall require a written statement that:

(1) is signed by the person for whom the child is to work; and

(2) sets forth the nature of work that the child is to perform.

(b) When a child's employment terminates, the employer shall immediately notify the issuing officer in writing of the:

(1) termination; and

(2) date on which it occurred.

This notice shall be on a blank form attached to the child's employment certificate.

(c) It is unlawful for an issuing officer to issue a subsequent employment certificate until the issuing officer has:

(1) received a termination notice from the current employer;

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or

(2) otherwise determined that the child's employment has terminated.

(d) An employment certificate may be used at not more than two (2) locations within the same enterprise if the enterprise complies with the hour restrictions prescribed in sections 21 through 29 of this chapter.

Sec. 13. (a) Upon presentation to the issuing officer of the documents required by section 10 of this chapter, an employment certificate shall be issued immediately to the child. However, an issuing officer may deny a certificate to a child:

(1) whose attendance is not in good standing; or

(2) whose academic performance does not meet the school corporation's standard.

(b) Not more than five (5) days after issuing an employment certificate, the issuing officer shall send a copy of the employment certificate to the department of labor. The issuing officer shall keep a record in the issuing officer's office of each employment certificate issued.

(c) A student may appeal the denial of a certificate under subsection (a) to the principal.

Sec. 14. (a) The:

(1) state board; or

(2) department of labor;

may revoke an employment certificate at any time, if, in the judgment of the state board or the department of labor, the certificate was improperly issued or if the state board or department of labor has knowledge that the child is or was illegally employed.

(b) To determine when a child is illegally employed, the state board and the department of labor and agents of the state board or department of labor may:

(1) investigate the age of a child who is employed;

(2) subpoena witnesses;

(3) hear evidence; and

(4) require the production of relevant books or documents.

(c) If the state board or department of labor revokes an employment certificate under this section, the issuing officer and the child's employer shall be notified in writing. This notice may be delivered in person or by registered mail. Immediately after receiving notice of revocation, the employer shall return the certificate to the issuing officer.

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(d) A child whose employment certificate has been revoked may not be employed or allowed to work until the child legally has obtained a new employment certificate.

Sec. 15. (a) Each employment certificate issued for a child must state the:

(1) full name and the date and place of birth of the child;

(2) name and address of the child's parents;

(3) name and address of the employer; and

(4) nature of the work that the child is to perform.

(b) The employment certificate must certify that the child has:

(1) appeared before the issuing officer; and

(2) submitted the proof of age and prospective employment as required under this chapter.

(c) The issuing officer may require the presence of the child's parents before issuing the employment certificate.

Sec. 16. (a) All blank forms necessary to carry out this chapter shall be prepared by the department of labor and supplied to issuing officers.

(b) Funds to pay expenses incurred by the department of labor in printing and distributing these forms are appropriated annually out of any money in the state general fund that is not otherwise appropriated.

Sec. 17. (a) An officer charged with enforcement of this chapter may investigate the age of a child:

(1) who is employed or allowed to work in an occupation; and

(2) for whom an employment certificate is not on file.

(b) If the officer finds that the age of the child is below the age authorized for an employee without an employment certificate, the:

(1) employment; or

(2) fact that the child is allowed to work;

is prima facie evidence of unlawful employment.

Sec. 18. (a) Except as provided in subsection (c), whenever the department of labor requires, a child who is:

(1) at least fourteen (14) years of age and less than eighteen (18) years of age; and

(2) at work in an occupation for which an employment certificate is required under sections 5 and 6 of this chapter;

shall submit to a physical examination. The examination shall be conducted by a medical inspector of the department of labor or by a physician designated by the department of labor. A female employee is entitled to have this examination made by a female. An employer shall not require or attempt to require a female employee

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to submit to a physical examination by a male.

(b) The result of an examination conducted under this section shall be recorded on a printed form furnished by and kept on file at the department of labor.

(c) The department of labor may not require a child to undergo a medical examination under this chapter when the child's parent objects on religious grounds. A religious objection:

(1) consists of a good faith reliance on spiritual means or prayer for healing; and

(2) is not effective unless the objection is:

(A) made in writing;

(B) signed by the child's parent; and

(C) delivered to the department of labor.

Sec. 19. (a) If:

(1) a child fails to submit to a medical examination as required under section 18 of this chapter; or

(2) on examination, the medical inspector finds the child to be physically unfit to be employed in the work in which the child is engaged and files a report to that effect;

the department of labor shall revoke the child's employment certificate. A report of physical incapacity shall be kept at the office of the department of labor.

(b) Written notice of a revocation under this section shall be served on the issuing officer and the child's employer in person or by registered mail. Immediately after receiving notice of a revocation, the employer shall deliver the revoked certificate to the department of labor. A child whose certificate has been revoked under this section may obtain a new certificate if the child is found, after physical examination, to be physically fit for the new occupation in which the child proposes to engage.

Sec. 20. (a) An employment certificate may be revoked by the issuing officer if the issuing officer determines that there has been a significant decrease in any of the following since the issuance of the permit:

(1) The student's grade point average.

(2) The student's attendance at school.

(b) A student whose employment certificate is revoked under subsection (a) is entitled to a periodic review of the student's grade record or attendance record, or both, to determine whether the revocation should continue. A periodic review may not be conducted less than one (1) time each school year.

(c) If upon review the issuing officer determines that the

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student's grade point average or attendance, or both, have improved substantially, the issuing officer may reissue an employment certificate to the student.

(d) A student may appeal the revocation of an employment certificate under subsection (a) or the refusal to reissue an employment certificate under subsection (c) to the school principal.

(e) An issuing officer who revokes an employment certificate shall immediately send written notice of the revocation to the student's employer.

Sec. 21. Sections 22 through 29 of this chapter apply only to employment for which a child who is at least fourteen (14) years of age and less than eighteen (18) years of age must obtain an employment certificate under this chapter.

Sec. 22. The following apply only to a child who is at least fourteen (14) years of age and less than sixteen (16) years of age:

(1) The child may not work before 7 a.m. or after 7 p.m. However, the child may work until 9 p.m. from June 1 through Labor Day.

(2) The child may not work:

(A) more than three (3) hours on a school day;

(B) more than eighteen (18) hours in a school week;

(C) more than eight (8) hours on a nonschool day; or

(D) more than forty (40) hours in a nonschool week.

Sec. 23. A child who is at least sixteen (16) years of age and less than seventeen (17) years of age may not:

(1) work for more than eight (8) hours in any one (1) day;

(2) work for more than thirty (30) hours in any one (1) week;

(3) work for more than six (6) days in any one (1) week; or

(4) begin a work day before 6 a.m.

Sec. 24. A child who is at least seventeen (17) years of age and less than eighteen (18) years of age may not:

(1) work for more than eight (8) hours in any one (1) day;

(2) work for more than thirty (30) hours in any one (1) week;

(3) work for more than six (6) days in any one (1) week; or

(4) begin a work day before 6 a.m. on a school day.

Sec. 25. A child who is at least sixteen (16) years of age and less than eighteen (18) years of age may work until 10 p.m. on nights that are followed by a school day in any occupation except those that the commissioner of labor determines to be:

(1) dangerous to life or limb; or

(2) injurious to health or morals.

Sec. 26. An employer may employ a child who is at least sixteen

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(16) years of age and less than seventeen (17) years of age to work until midnight if:

(1) the work will be performed:

(A) during a nonschool week; or

(B) on days that are not followed by a school day; and

(2) the employer has:

(A) obtained written permission from the child's parent; and

(B) placed the written permission on file in the employer's office.

Sec. 27. (a) An employer may employ a child who is at least sixteen (16) years of age and less than eighteen (18) years of age for up to forty (40) hours during a school week if the employer has:

(1) obtained written permission from the child's parent; and

(2) placed the written permission on file in the employer's office.

(b) If an employer has obtained written permission required under subsection (a), the employer may employ a child who is at least sixteen (16) years of age and less than eighteen (18) years of age for periods that do not exceed a total of nine (9) hours in any one (1) day and a total of forty-eight (48) hours in any one (1) nonschool week.

Sec. 28. A child who is at least seventeen (17) years of age and less than eighteen (18) years of age may work until 11:30 p.m. on nights that are followed by a school day if the employer has obtained written permission from the child's parent and placed the written permission on file in the employer's office. A child covered by this section may work until 1 a.m. the following day if the employer has obtained written permission from the child's parent and placed the written permission on file in the employer's office. However, the nights followed by a school day on which a child works until 1 a.m. the following day may not be consecutive and may not exceed two (2) nights per week.

Sec. 29. A child who is at least sixteen (16) years of age and less than eighteen (18) years of age may be employed the same daily and weekly hours and at the same times of day as adults if the child is a member of any of the following categories:

(1) The child is a high school graduate.

(2) The child has completed an approved vocational or special education program.

(3) The child is not enrolled in a regular school term.

Sec. 30. (a) This section applies to occupations for which a child

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less than eighteen (18) years of age may be employed or allowed to work under this chapter but does not apply to children subject to:

(1) section 6 of this chapter; or

(2) section 29(2) or 29(3) of this chapter.

(b) A person, firm, limited liability company, or corporation that employs a child less than eighteen (18) years of age shall provide the child one (1) or two (2) rest breaks totaling at least thirty (30) minutes if the child is scheduled to work at least six (6) consecutive hours.

Sec. 31. (a) A child less than:

(1) fourteen (14) years of age may not be employed or allowed to work in any gainful occupation except as a farm laborer, domestic service worker, caddie for persons playing the game of golf, or newspaper carrier; and

(2) twelve (12) years of age may not be permitted to work at farm labor except on a farm operated by the child's parent.

(b) Except as provided in section 32 of this chapter, a person, firm, limited liability company, or corporation may not employ or permit any child less than eighteen (18) years of age to work in any occupation after 7:30 a.m. and before 3:30 p.m. on a school day unless the child presents to the employer a written exception issued by the school that the child attends.

Sec. 32. This chapter may not prevent a child of any age from singing, playing, or performing in a studio, circus, theatrical, or musical exhibition, concert, or festival, in radio and television broadcasts, or as a live or photographic model. Employment certificates are not required for employment or appearances set forth in this section, but a child less than eighteen (18) years of age may not be employed except under the following conditions:

(1) The activities described in this section must not:

(A) be detrimental to the life, health, safety, or welfare of the child; or

(B) interfere with the schooling of the child.

Provision shall be made for education equivalent to full-time school attendance in the public schools for children less than sixteen (16) years of age.

(2) A parent shall accompany a child less than sixteen (16) years of age at all rehearsals, appearances, and performances.

(3) The employment or appearance may not be in a cabaret, dance hall, night club, tavern, or other similar place.

Sec. 33. The employment of children by the:

(1) Indiana School for the Deaf; and

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(2) Indiana School for the Blind;

is subject to the general restrictions imposed on child labor under this chapter.

Sec. 34. Every person, firm, corporation, or company that employs a child at least fourteen (14) years of age and less than eighteen (18) years of age in an occupation for which the child must obtain an employment certificate shall post and keep posted a printed notice in a conspicuous place or in places where notices to employees are customarily posted. This notice must state:

(1) the maximum number of hours a child may be employed or permitted to work each day of the week; and

(2) the hours of beginning and ending each day.

The printed forms for this notice shall be furnished by the department of labor.

Sec. 35. The department of labor shall prohibit a child who is less than eighteen (18) years of age from working in an occupation designated as hazardous by the child labor provisions of the federal Fair Labor Standards Act of 1938, as amended (29 U.S.C. 201 et seq.).

Sec. 36. (a) This section does not provide an exception to the limit on the number of hours a child is permitted to work under sections 22 through 30 of this chapter.

(b) It is unlawful for a person, firm, limited liability company, or corporation to permit a child who is:

(1) less than eighteen (18) years of age; and

(2) employed by the person, firm, limited liability company, or corporation;

to work after 10 p.m. and before 6 a.m. in an establishment that is open to the public unless another employee at least eighteen (18) years of age also works in the establishment during the same hours as the child.

(c) A violation of subsection (b) is a hazardous occupation violation subject to section 41 of this chapter.

Sec. 37. This chapter does not prevent a student from working on a properly guarded machine in the training department of a school when an instructor provides personal supervision.

Sec. 38. (a) The department of labor and its authorized inspectors and agents:

(1) shall enforce this chapter and ensure that all violators are prosecuted; and

(2) may visit and inspect, at all reasonable hours and when as practicable and necessary, all establishments affected by this

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chapter.

(b) It is unlawful for any person to interfere with, obstruct, or hinder any inspector or agent of the department of labor while the inspector or agent performs official duties or to refuse to properly answer questions asked by an inspector or agent of the department.

(c) When requested in writing by the department of labor, the attorney general shall assist the prosecuting attorney in the prosecution of persons charged with a violation of this chapter.

Sec. 39. A person, firm, limited liability company, or corporation that violates this chapter may be assessed the civil penalties described in this section by the department of labor. For an employment certificate violation under section 5 or 14 of this chapter, a termination notice violation under section 12 of this chapter, an hour violation of not more than thirty (30) minutes under sections 21 through 29 of this chapter, or a posting violation under section 34 of this chapter, the civil penalties are as follows:

(1) A warning letter for any violations identified during an initial inspection.

(2) Fifty dollars ($50) per instance for a second violation identified in a subsequent inspection.

(3) Seventy-five dollars ($75) per instance for a third violation that is identified in a subsequent inspection.

(4) One hundred dollars ($100) per instance for a fourth or subsequent violation that is identified in an inspection subsequent to the inspection under subdivision (3) and occurs not more than two (2) years after a prior violation.

Sec. 40. A person, firm, limited liability company, or corporation that violates this chapter may be assessed the civil penalties described in this section by the department of labor. For an hour violation of more than thirty (30) minutes under sections 21 through 29 of this chapter, each violation of section 30 of this chapter, an age violation under section 31 or 32 of this chapter, each minor employed in violation of section 31(b) of this chapter, or a hazardous occupation violation under section 35 or 36 of this chapter, the civil penalties are as follows:

(1) A warning letter for any violations identified during an initial inspection.

(2) One hundred dollars ($100) per instance for each violation identified in a subsequent inspection.

(3) Two hundred dollars ($200) per instance for a third violation that is identified in a subsequent inspection.

(4) Four hundred dollars ($400) per instance for a fourth or

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subsequent violation that is identified in an inspection subsequent to the inspection under subdivision (3) and occurs not more than two (2) years after a prior violation.

Sec. 41. (a) A civil penalty assessed under section 39 or 40 of this chapter:

(1) is subject to IC 4-21.5-3-6; and

(2) becomes effective without a proceeding under IC 4-21.5-3 unless a person requests an administrative review not later than thirty (30) days after notice of the assessment is given.

(b) For purposes of determining:

(1) whether a second violation has occurred when assessing a civil penalty under subsection (a), a first violation expires one (1) year after the date of issuance of a warning letter by the department of labor under subsection (a); and

(2) recurring violations of this section, each location of an employer shall be considered separate and distinct from another location of the same employer.

Sec. 42. (a) There is established an employment of youth fund to educate affected parties on the purposes and contents of this chapter and the responsibilities of all parties under this chapter.

(b) One-half (1/2) of the employment of youth fund each year shall be used for the purpose of the education provision of this subsection, and may be used to award grants to provide educational programs. The remaining one-half (1/2) of the employment of youth fund shall be used each year for the expenses of hiring and salaries of additional inspectors to enforce this chapter under section 39 of this chapter.

(c) The employment of youth fund shall be administered by the department of labor. The expenses of administering the employment of youth fund shall be paid from money in the fund. The treasurer of state shall invest the money in the employment of youth fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the employment of youth fund. Money in the employment of youth fund at the end of a state fiscal year does not revert to the state general fund.

(d) Revenue received from civil penalties under this section shall be deposited in the employment of youth fund.

(e) All inspectors hired to enforce this chapter shall also be available to educate affected parties on the purposes and contents of this chapter and the responsibilities of all parties under this

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chapter.

Sec. 43. (a) An employment certificate shall be issued:

(1) in a form approved by; and

(2) under rules adopted under IC 4-22-2 by;

the department of labor and the state board.

(b) The style of the form and the rules adopted under this section must:

(1) be consistent with this chapter; and

(2) promote uniformity and efficiency in the administration of this chapter.

Chapter 4. Legal Settlement and Transfer of Students

Sec. 1. The law governing legal settlement and transfer of students and transfer tuition is found at IC 20-26-11.

Chapter 5. Financial Assistance for Students

Sec. 1. (a) As used in this chapter, "school corporation" includes a charter school.

(b) As used in this chapter, "governing body" includes the organizer of a charter school.

(c) The maximum monthly or annual gross income available to a family shall be used to determine financial eligibility for assistance under this chapter.

(d) In determining the eligibility of a seasonal worker for assistance under this chapter, an average shall be made of the family's income for the twelve (12) calendar months preceding the first day of the month in which the application is made.

Sec. 2. The department shall adopt procedures that must be followed by applicants in order for them to qualify for assistance under this chapter. These procedures must include obtaining information needed by the family and social services administration to determine if the recipient is a child who is a member of a qualifying family (as defined in IC 12-14-28-1), including the familial relationship of the child to the head of the household. The financial eligibility standard for an applicant under this chapter must be the same criteria used for determining eligibility for receiving free or reduced price lunches under the national school lunch program.

Sec. 3. (a) If a parent of a child or an emancipated minor who is enrolled in a public school, in kindergarten or grades 1 through 12, meets the financial eligibility standard under section 2 of this chapter, the parent or the emancipated minor may not be required to pay the fees for school books, supplies, or other required class fees. The fees shall be paid by the school corporation that the child

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attends.

(b) The school corporation may apply for a reimbursement under section 7 of this chapter from the department of the costs incurred under subsection (a).

(c) To the extent the reimbursement received by the school corporation is less than the textbook rental fee assessed for textbooks that have been adopted under IC 20-20-5-1 through IC 20-20-5-4 or waived under IC 20-26-12-28, the school corporation may request that the parent or emancipated minor pay the balance of this amount.

Sec. 4. The department shall provide each school corporation with sufficient application forms for assistance under this chapter. The state board of accounts shall prescribe the forms to be used.

Sec. 5. All school corporations must give notice in nontechnical language and in a manner that can be reasonably expected to reach parents of students before the collection of any fees for schoolbooks and supplies. This notice must inform the parents of the following:

(1) The availability of assistance.

(2) The eligibility standards.

(3) The procedure for obtaining assistance, including the right and method of appeal.

(4) The availability of application forms at a designated school office.

Sec. 6. (a) All school corporations must give appropriate application forms to parents who wish to apply for assistance under this chapter. The school shall provide assistance to those applicants who are unable to write or otherwise make a written application. The parent shall submit the completed application to the school corporation. The school corporation shall make a determination of financial eligibility.

(b) If the school corporation makes a determination that the parent is ineligible based on the information in the application, the school corporation shall give the parent written reasons for the denial and inform the parent of the right to request a hearing before the governing body of the school corporation or the governing body's designee. After the determination, the school corporation may bill the parent for the student's fees, but the school corporation may not take any legal action against the parent until the parent has had the opportunity to make an appeal in a hearing before the governing body of the school corporation or the governing body's designee. If the parent pays the fees based on the school corporation's determination, and after the appeal it is

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determined that the parent qualifies for assistance, the school corporation shall reimburse the parent.

Sec. 7. (a) If a determination is made that the applicant is eligible for assistance, the school corporation shall pay the cost of the student's required fees.

(b) A school corporation may receive a reimbursement from the department for some or all of the costs incurred by a school corporation during a school year in providing textbook assistance to students who are eligible under section 2 of this chapter.

(c) To be guaranteed some level of reimbursement from the department, the governing body of a school corporation shall request the reimbursement before November 1 of a school year.

(d) In its request, the governing body shall certify to the department:

(1) the number of students who are enrolled in that school corporation and who are eligible for assistance under this chapter;

(2) the costs incurred by the school corporation in providing:

(A) textbooks (including textbooks used in special education and high ability classes) to these students;

(B) workbooks and consumable textbooks (including workbooks, consumable textbooks, and other consumable instructional materials that are used in special education and high ability classes) that are used by students for not more than one (1) school year; and

(C) instead of the purchase of textbooks, developmentally appropriate material for instruction in kindergarten through the grade 3 level, laboratories, and children's literature programs;

(3) that each textbook described in subdivision (2)(A) and included in the reimbursement request (except those textbooks used in special education classes and high ability classes) has been adopted by the state board under IC 20-20-5-1 through IC 20-20-5-4 or has been waived by the state board of education under IC 20-26-12-28;

(4) that the amount of reimbursement requested for each textbook under subdivision (3) does not exceed twenty percent (20%) of the costs incurred for the textbook, as provided in the textbook adoption list in each year of the adoption cycle;

(5) that the amount of reimbursement requested for each workbook or consumable textbook (or other consumable instructional material used in special education and high

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ability classes) under subdivision (2)(B), if applicable, does not exceed one hundred percent (100%) of the costs incurred for the workbook or consumable textbook (or other consumable instructional material used in special education and high ability classes);

(6) that the amount of reimbursement requested for each textbook used in special education and high ability classes is amortized for the number of years in which the textbook is used;

(7) that the amount of reimbursement requested for developmentally appropriate material is amortized for the number of years in which the material is used and does not exceed a total of one hundred percent (100%) of the costs incurred for the developmentally appropriate material; and

(8) any other information required by the department, including copies of purchase orders used to acquire consumable instructional materials used in special education and high ability classes and developmentally appropriate material.

(e) Each school within a school corporation shall maintain complete and accurate information concerning the number of students determined to be eligible for assistance under this chapter. This information shall be provided to the department upon request.

(f) If the amount of reimbursement requested before November 1 of a particular year exceeds the amount of money appropriated to the department for this purpose, the department shall proportionately reduce the amount of reimbursement to each school corporation.

(g) A school corporation may submit a supplemental reimbursement request under section 8 of this chapter. The school corporation is entitled to receive a supplemental reimbursement only if there are funds available. The department shall proportionately reduce the amount of supplemental reimbursement to each school corporation if the total amount requested exceeds the amount of money available to the department for this purpose. In the case of a supplemental reimbursement, the provisions in this section apply, except that section 8 of this chapter applies to the making of the supplemental request by the governing body of the school corporation.

(h) Parents receiving other governmental assistance or aid that considers educational needs in computing the entire amount of

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assistance granted may not be denied assistance if the applicant's total family income does not exceed the standards established by this chapter.

Sec. 8. (a) The governing body of a school corporation may make a supplemental request for reimbursement from the department after April 1 but before May 1 of a school year for some or all of the additional costs incurred by the school corporation in providing textbook assistance to the number of additional eligible children who enroll in the school corporation after the initial request for reimbursement is filed under section 7(c) of this chapter.

(b) In its supplemental request, the governing body must certify to the department the following:

(1) The number of additional students who enroll in the school corporation as described in subsection (a).

(2) The additional costs incurred by the school corporation in providing the materials described in section 7(d)(2) of this chapter pertaining to the number of additional students.

(3) The same information as described in section 7(d)(3) through 7(d)(7) of this chapter as pertaining to the numbers of additional students.

(c) This section applies only if there are funds available. The supplemental distributions shall be made by the department in accordance with section 7(g) of this chapter.

Sec. 9. (a) If a parent of a child or an emancipated minor who is enrolled in an accredited nonpublic school meets the financial eligibility standard under section 2 of this chapter, the parent or the emancipated minor may receive a reimbursement from the department as provided in this chapter for the costs or some of the costs incurred by the parent or emancipated minor in fees that are reimbursable under section 7 of this chapter. The extent to which the fees are reimbursable under this section may not exceed the percentage rates of reimbursement under section 7 of this chapter. In addition, if a child enrolls in an accredited nonpublic school after the initial request for reimbursement is filed under subsection (d), the parent of the child or the emancipated minor who meets the financial eligibility standard may receive a reimbursement from the department for the costs or some of the costs incurred in fees that are reimbursable under section 7 of this chapter by applying to the accredited nonpublic school for assistance. In this case, this section applies. However, section 10 of this chapter applies to the making of the supplemental request for

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reimbursement by the principal or other designee of the accredited nonpublic school.

(b) The department shall provide each accredited nonpublic school with sufficient application forms for assistance, prescribed by the state board of accounts.

(c) Each accredited nonpublic school shall provide the parents or emancipated minors who wish to apply for assistance with:

(1) the appropriate application forms; and

(2) any assistance needed in completing the application form.

(d) The parent or emancipated minor shall submit the application to the accredited nonpublic school. The accredited nonpublic school shall make a determination of financial eligibility subject to appeal by the parent or emancipated minor.

(e) If a determination is made that the applicant is eligible for assistance, subsection (a) applies.

(f) To be guaranteed some level of reimbursement from the department, the principal or other designee shall submit the reimbursement request before November 1 of a school year.

(g) In its request, the principal or other designee shall certify to the department:

(1) the number of students who are enrolled in the accredited nonpublic school and who are eligible for assistance under this chapter;

(2) the costs incurred in providing:

(A) textbooks (including textbooks used in special education and high ability classes); and

(B) workbooks and consumable textbooks (including workbooks, consumable textbooks, and other consumable teaching materials that are used in special education and high ability classes) that are used by students for not more than one (1) school year;

(3) that each textbook described in subdivision (2)(A) and included in the reimbursement request (except those textbooks used in special education classes and high ability classes) has been adopted by the state board under IC 20-20-5-1 through 20-20-5-4 or has been waived by the state board of education under IC 20-26-12-28;

(4) that the amount of reimbursement requested for each textbook under subdivision (3) does not exceed twenty percent (20%) of the costs incurred for the textbook, as provided in the textbook adoption list in each year of the adoption cycle;

(5) that the amount of reimbursement requested for each

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workbook or consumable textbook (or other consumable teaching material used in special education and high ability classes) under subdivision (2)(B), if applicable, does not exceed one hundred percent (100%) of the costs incurred for the workbook or consumable textbook (or other consumable teaching material used in special education and high ability classes);

(6) that the amount of reimbursement requested for each textbook used in special education and high ability classes is amortized for the number of years in which the textbook is used; and

(7) any other information required by the department, including copies of purchase orders used to acquire consumable teaching materials used in special education and high ability classes.

(h) If the amount of reimbursement requested before November 1 of a particular school year exceeds the amount of money appropriated to the department for this purpose, the department shall proportionately reduce the amount of reimbursement to each accredited nonpublic school. An accredited nonpublic school may submit a supplemental reimbursement request under section 10 of this chapter. The parent or emancipated minor is entitled to receive a supplemental reimbursement only if funds are available. The department shall proportionately reduce the amount of supplemental reimbursement to the accredited nonpublic schools if the amount requested exceeds the amount of money available to the department for this purpose.

(i) The accredited nonpublic school shall distribute the money received under this chapter to the appropriate eligible parents or emancipated minors.

(j) Section 7(h) of this chapter applies to parents or emancipated minors as described in this section.

(k) The accredited nonpublic school and the department shall maintain complete and accurate information concerning the number of applicants determined to be eligible for assistance under this section.

(l) The state board shall adopt rules under IC 4-22-2 to implement this section.

Sec. 10. (a) The principal or other designee of an accredited nonpublic school may make a supplemental request for reimbursement from the department after April 1 but before May 1 of a school year for some or all of the additional costs incurred in

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fees that are reimbursable under section 7 of this chapter by the parent of a child or emancipated minor who enrolls in the accredited nonpublic school after the initial request for reimbursement is filed under section 9(f) of this chapter.

(b) In its supplemental request, the principal or other designee must certify to the department the following:

(1) The number of additional students who enrolled in the accredited nonpublic school as described in subsection (a).

(2) The costs incurred in providing the materials described in section 9(g)(2) of this chapter pertaining to the number of additional students.

(3) The same information as described in section 9(g)(3) through 9(g)(7) of this chapter as pertaining to the number of additional students.

(c) This section applies only if there are funds available. These supplemental distributions shall be made by the department in accordance with section 9(h) of this chapter.

Sec. 11. (a) A school corporation may not:

(1) withhold school books and supplies;

(2) require any special services from a child; or

(3) deny the child any benefit or privilege;

because the parent fails to pay required fees.

(b) Notwithstanding subsection (a), a school corporation may take any action authorized by law to collect unpaid fees from parents who are determined to be ineligible for assistance, including recovery of reasonable attorney's fees and court costs in addition to a judgment award against those parents.

Sec. 12. Under extraordinary circumstances, the township trustee may pay for the fees enumerated in section 3 of this chapter for individuals who do not otherwise qualify under the financial eligibility standard established in this chapter. Assistance in such cases may be provided by the township trustee under IC 12-20.

Sec. 13. (a) Financial assistance for shoes and clothing shall be provided directly by the township trustee under IC 12-20 to parents who do not have sufficient means to furnish the shoes and clothing needed by the children to attend school.

(b) A school corporation may establish a clothing bank to provide for children's clothing needs on an emergency basis.

Sec. 14. (a) The school textbook reimbursement contingency fund is established to reimburse school corporations, eligible parents of children who attend accredited nonpublic schools, and emancipated minors who attend accredited nonpublic schools as

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provided in section 9 of this chapter for assistance provided under this chapter. The fund consists of money appropriated to the fund by the general assembly. The state superintendent shall administer the fund.

(b) The treasurer of state shall invest the money in the school textbook reimbursement contingency fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

Chapter 6. Parental Participation in a Student's Education

Sec. 1. This chapter does not apply to a nonpublic school.

Sec. 2. (a) Each school in a school corporation may develop a written compact that contains the expectations for the school, the student, the student's teachers, and the student's parents.

(b) A school that develops a compact under this section must seek the participation of parents and students in developing the compact.

(c) Each educator at the school shall affirm and sign the compact, and each student and the student's parents shall sign and affirm the compact.

Sec. 3. A parent, a student, an educator, and a school shall make a reasonable effort to comply with the terms of the compact.

Chapter 7. Parental Access to Student Records

Sec. 1. As used in this chapter, "education records" means information that:

(1) is recorded by a nonpublic or public school; and

(2) concerns a student who is or was enrolled in the school.

Sec. 2. (a) Except as provided in subsection (b), a nonpublic or public school must allow a custodial parent and a noncustodial parent of a child the same access to their child's education records.

(b) A nonpublic or public school may not allow a noncustodial parent access to the child's education records if:

(1) a court has issued an order that limits the noncustodial parent's access to the child's education records; and

(2) the school has received a copy of the court order or has actual knowledge of the court order.

Sec. 3. (a) As used in this section, "juvenile justice agency" has the meaning set forth in IC 10-13-4-5.

(b) A school corporation or other entity to which the education records privacy provisions of the federal Family Educational Rights and Privacy Act (20 U.S.C. 1232g) apply may disclose or report on the education records of a child, including personally identifiable information contained in the education records,

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without the consent of the child's parent under the following conditions:

(1) The disclosure or reporting of education records is to a state or local juvenile justice agency.

(2) The disclosure or reporting relates to the ability of the juvenile justice system to serve, before adjudication, the student whose records are being released.

(3) The juvenile justice agency receiving the information certifies, in writing, to the entity providing the information that the agency or individual receiving the information has agreed not to disclose it to a third party, other than another juvenile justice agency, without the consent of the child's parent.

(c) For purposes of subsection (b)(2), a disclosure or reporting of education records concerning a child who has been adjudicated as a delinquent child shall be treated as related to the ability of the juvenile justice system to serve the child before adjudication if the juvenile justice agency seeking the information provides sufficient information to enable the keeper of the education records to determine that the juvenile justice agency seeks the information in order to identify and intervene with the child as a juvenile at risk of delinquency rather than to obtain information solely related to supervision of the child as an adjudicated delinquent child.

(d) A school corporation or other entity to which the education records privacy provisions of the federal Family Educational Rights and Privacy Act (20 U.S.C. 1232g) apply that:

(1) discloses or reports on the education records of a child, including personally identifiable information contained in the education records, in violation of this section; and

(2) makes a good faith effort to comply with this section;

is immune from civil liability.

Chapter 8. Student Discipline

Sec. 0.5. As used in this chapter, "physician" means an individual licensed to practice medicine or osteopathic medicine under:

(1) IC 25-22.5; or

(2) the law of another state.

Sec. 1. As used in this chapter, "principal" includes a principal's designee.

Sec. 2. As used in this chapter, "educational function" means the performance by a school corporation or its officers or employees of an act or a series of acts in carrying out school purposes.

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Sec. 3. (a) As used in this chapter, "expulsion" means a disciplinary or other action whereby a student:

(1) is separated from school attendance for a period exceeding ten (10) school days;

(2) is separated from school attendance for the balance of the current semester or current year unless a student is permitted to complete required examinations in order to receive credit for courses taken in the current semester or current year; or

(3) is separated from school attendance for the period prescribed under section 16 of this chapter, which may include an assignment to attend an alternative school, an alternative educational program, or a homebound educational program.

(b) The term does not include situations when a student is:

(1) disciplined under section 25 of this chapter;

(2) removed from school in accordance with IC 20-34-3-9; or

(3) removed from school for failure to comply with the immunization requirements of IC 20-34-4-5.

Sec. 4. As used in this chapter, "school purposes" refers to the purposes for which a school corporation operates, including the following:

(1) To promote knowledge and learning generally.

(2) To maintain an orderly and effective educational system.

(3) To take any action under the authority granted to school corporations and their governing bodies by IC 20-26-5 or by any other statute.

Sec. 5. As used in this chapter, "school property" means the following:

(1) A building or other structure owned or rented by a school corporation.

(2) The grounds adjacent to and owned or rented in common with a building or other structure owned or rented by a school corporation.

Sec. 6. As used in this chapter, "superintendent" includes a superintendent's designee.

Sec. 7. (a) As used in this chapter, "suspension" means any disciplinary action that does not constitute an expulsion under section 3 of this chapter, whereby a student is separated from school attendance for a period of not more than ten (10) school days.

(b) The term does not include a situation in which a student is:

(1) disciplined under section 25 of this chapter;

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(2) removed from school in accordance with IC 20-34-3-9; or

(3) removed from school for failure to comply with the immunization requirements of IC 20-34-4-5.

Sec. 8. (a) Student supervision and the desirable behavior of students in carrying out school purposes is the responsibility of:

(1) a school corporation; and

(2) the students of a school corporation.

(b) In all matters relating to the discipline and conduct of students, school corporation personnel:

(1) stand in the relation of parents to the students of the school corporation; and

(2) have the right to take any disciplinary action necessary to promote student conduct that conforms with an orderly and effective educational system, subject to this chapter.

(c) Students must:

(1) follow responsible directions of school personnel in all educational settings; and

(2) refrain from disruptive behavior that interferes with the educational environment.

Sec. 9. (a) This section applies to an individual who:

(1) is a teacher or other school staff member; and

(2) has students under the individual's charge.

(b) An individual may take any action that is reasonably necessary to carry out or to prevent an interference with an educational function that the individual supervises.

(c) Subject to rules of the governing body and the administrative staff, an individual may remove a student for a period that does not exceed five (5) school days from an educational function supervised by the individual or another individual who is a teacher or other school staff member.

Sec. 10. (a) A principal may take action concerning the principal's school or a school activity within the principal's jurisdiction that is reasonably necessary to carry out or prevent interference with an educational function or school purposes.

(b) Subsection (a) allows a principal to write regulations that govern student conduct.

Sec. 11. A:

(1) superintendent; or

(2) member of the superintendent's administrative staff, with the superintendent's approval;

may take any action with respect to all schools within the superintendent's jurisdiction that is reasonably necessary to carry

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out or prevent interference with an educational function or school purposes.

Sec. 12. (a) The governing body of a school corporation must do the following:

(1) Establish written discipline rules, which may include appropriate dress codes, for the school corporation.

(2) Give general publicity to the discipline rules within a school where the discipline rules apply by actions such as:

(A) making a copy of the discipline rules available to students and students' parents; or

(B) delivering a copy of the discipline rules to students or the parents of students.

This publicity requirement may not be construed technically and is satisfied if the school corporation makes a good faith effort to disseminate to students or parents generally the text or substance of a discipline rule.

(b) The:

(1) superintendent of a school corporation; and

(2) principals of each school in a school corporation;

may adopt regulations establishing lines of responsibility and related guidelines in compliance with the discipline policies of the governing body.

(c) The governing body of a school corporation may delegate:

(1) rulemaking;

(2) disciplinary; and

(3) other authority;

as reasonably necessary to carry out the school purposes of the school corporation.

(d) Subsection (a) does not apply to rules or directions concerning the following:

(1) Movement of students.

(2) Movement or parking of vehicles.

(3) Day to day instructions concerning the operation of a classroom or teaching station.

(4) Time for commencement of school.

(5) Other standards or regulations relating to the manner in which an educational function must be administered.

However, this subsection does not prohibit the governing body from regulating the areas listed in this subsection.

Sec. 13. (a) Discipline rules adopted under section 12 of this chapter must provide that a student with a chronic disease or medical condition may possess and self-administer medication for

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the chronic disease or medical condition during the times and in the places set forth under section 14(b) of this chapter if the following conditions are met:

(1) The student's parent has filed an authorization with the student's principal for the student to possess and self-administer the medication. The authorization must include the statement described in subdivision (2).

(2) A physician states in writing that:

(A) the student has an acute or chronic disease or medical condition for which the physician has prescribed medication;

(B) the student has been instructed in how to self-administer the medication; and

(C) the nature of the disease or medical condition requires emergency administration of the medication.

(b) The authorization and statement described in subsection (a) must be filed annually with the student's principal.

Sec. 14. (a) The following are the grounds for student suspension or expulsion, subject to the procedural requirements of this chapter and as stated by school corporation rules:

(1) Student misconduct.

(2) Substantial disobedience.

(b) The grounds for suspension or expulsion listed in subsection (a) apply when a student is:

(1) on school grounds immediately before or during school hours, or immediately after school hours, or at any other time when the school is being used by a school group;

(2) off school grounds at a school activity, function, or event; or

(3) traveling to or from school or a school activity, function, or event.

Sec. 15. In addition to the grounds specified in section 14 of this chapter, a student may be suspended or expelled for engaging in unlawful activity on or off school grounds if:

(1) the unlawful activity may reasonably be considered to be an interference with school purposes or an educational function; or

(2) the student's removal is necessary to restore order or protect persons on school property;

including an unlawful activity during weekends, holidays, other school breaks, and the summer period when a student may not be attending classes or other school functions.

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Sec. 16. (a) As used in this section, "firearm" has the meaning set forth in IC 35-47-1-5.

(b) As used in this section, "deadly weapon" has the meaning set forth in IC 35-41-1-8. The term does not include a firearm or destructive device.

(c) As used in this section, "destructive device" has the meaning set forth in IC 35-47.5-2-4.

(d) Notwithstanding section 20 of this chapter, a student who is:

(1) identified as bringing a firearm or destructive device to school or on school property; or

(2) in possession of a firearm or destructive device on school property;

must be expelled for at least one (1) calendar year, with the return of the student to be at the beginning of the first school semester after the end of the one (1) year period.

(e) The superintendent may, on a case by case basis, modify the period of expulsion under subsection (d) for a student who is expelled under this section.

(f) Notwithstanding section 20 of this chapter, a student who is:

(1) identified as bringing a deadly weapon to school or on school property; or

(2) in possession of a deadly weapon on school property;

may be expelled for not more than one (1) calendar year.

(g) A superintendent or the superintendent's designee shall immediately notify the appropriate law enforcement agency having jurisdiction over the property where the school is located if a student engages in a behavior described in subsection (d). The superintendent may give similar notice if the student engages in a behavior described in subsection (f). Upon receiving notification under this subsection, the law enforcement agency shall begin an investigation and take appropriate action.

(h) A student with disabilities (as defined in IC 20-35-7-7) who possesses a firearm on school property is subject to procedural safeguards under 20 U.S.C. 1415.

Sec. 17. A student may be expelled from school if the student's legal settlement is not in the attendance area of the school corporation where the student is enrolled.

Sec. 18. (a) A principal may suspend a student for not more than ten (10) school days under section 14, 15, or 16 of this chapter. However, the student may be suspended for more than ten (10) school days under section 23 of this chapter.

(b) A principal may not suspend a student before the principal

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affords the student an opportunity for a meeting during which the student is entitled to the following:

(1) A written or an oral statement of the charges against the student.

(2) If the student denies the charges, a summary of the evidence against the student.

(3) An opportunity for the student to explain the student's conduct.

(c) When misconduct requires immediate removal of a student, the meeting under subsection (b) must begin as soon as reasonably possible after the student's suspension.

(d) Following a suspension, the principal shall send a written statement to the parent of the suspended student describing the following:

(1) The student's misconduct.

(2) The action taken by the principal.

Sec. 19. (a) A superintendent of a school corporation may conduct an expulsion meeting or appoint one (1) of the following to conduct an expulsion meeting:

(1) Legal counsel.

(2) A member of the administrative staff if the member:

(A) has not expelled the student during the current school year; and

(B) was not involved in the events giving rise to the expulsion.

The superintendent or a person designated under this subsection may issue subpoenas, compel the attendance of witnesses, and administer oaths to persons giving testimony at an expulsion meeting.

(b) An expulsion may take place only after the student and the student's parent are given notice of their right to appear at an expulsion meeting with the superintendent or a person designated under subsection (a). Notice of the right to appear at an expulsion meeting must:

(1) be made by certified mail or by personal delivery;

(2) contain the reasons for the expulsion; and

(3) contain the procedure for requesting an expulsion meeting.

(c) The individual conducting an expulsion meeting:

(1) shall make a written summary of the evidence heard at the expulsion meeting;

(2) may take action that the individual finds appropriate; and

(3) must give notice of the action taken under subdivision (2)

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to the student and the student's parent.

(d) If the student or the student's parent not later than ten (10) days of receipt of a notice of action taken under subsection (c) makes a written appeal to the governing body, the governing body:

(1) shall hold a meeting to consider:

(A) the written summary of evidence prepared under subsection (c)(1); and

(B) the arguments of the principal and the student or the student's parent;

unless the governing body has voted under subsection (f) not to hear appeals of actions taken under subsection (c); and

(2) may take action that the governing body finds appropriate. The decision of the governing body may be appealed only under section 21 of this chapter.

(e) A student or a student's parent who fails to request and appear at an expulsion meeting after receipt of notice of the right to appear at an expulsion meeting forfeits all rights administratively to contest and appeal the expulsion. For purposes of this section, notice of the right to appear at an expulsion meeting or notice of the action taken at an expulsion meeting is effectively given at the time when the request or notice is delivered personally or sent by certified mail to a student and the student's parent.

(f) The governing body may vote to not hear appeals of actions taken under subsection (c). If the governing body votes to not hear appeals, subsequent to the date on which the vote is taken, a student or parent may appeal only under section 21 of this chapter.

Sec. 20. (a) Except as provided in section 16 of this chapter, a student may not be expelled for a longer period than the remainder of the school year in which the expulsion took effect if the misconduct occurs during the first semester. If a student is expelled during the second semester, the expulsion remains in effect for summer school and may remain in effect for the first semester of the following school year, unless otherwise modified or terminated by order of the governing body. The appropriate authorities may require that a student who is at least sixteen (16) years of age and who wishes to reenroll after an expulsion or an exclusion attend an alternative program.

(b) An expulsion that takes effect more than three (3) weeks before the beginning of the second semester of a school year must be reviewed before the beginning of the second semester. The review:

(1) shall be conducted by the superintendent or an individual

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designated under section 19(a) of this chapter after notice of the review has been given to the student and the student's parent;

(2) is limited to newly discovered evidence or evidence of changes in the student's circumstances occurring since the original meeting; and

(3) may lead to a recommendation by the person conducting the review that the student be reinstated for the second semester.

(c) An expulsion that will remain in effect during the first semester of the following school year must be reviewed before the beginning of the school year. The review:

(1) shall be conducted by the superintendent or an individual designated under section 19(a) of this chapter after notice of the review has been given to the student and the student's parent;

(2) is limited to newly discovered evidence or evidence of changes in the student's circumstances occurring since the original meeting; and

(3) may lead to a recommendation by the individual conducting the review that the student be reinstated for the upcoming school year.

Sec. 21. Judicial review of a governing body's action under this chapter by the circuit or superior court of the county in which a student who is the subject of the governing body's action resides is limited to the issue of whether the governing body acted without following the procedure required under this chapter.

Sec. 22. An expulsion that has been upheld by a governing body continues in effect during judicial review under section 21 of this chapter unless:

(1) the court grants a temporary restraining order under the Indiana Rules of Civil Procedure; and

(2) the school corporation was given the opportunity to appear at the hearing regarding the temporary restraining order.

Sec. 23. The superintendent or the person designated by the superintendent under section 19(a) of this chapter may continue suspension of a student for more than the ten (10) school day period of the principal's suspension and until the time of the expulsion decision under section 19 of this chapter if the superintendent or the designated person determines that the student's continued suspension will prevent or substantially reduce

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the risk of:

(1) interference with an educational function or school purposes; or

(2) a physical injury to the student, other students, school employees, or visitors to the school.

However, a student may not be suspended from school pending a meeting on a student's proposed expulsion if the expulsion is ordered under section 17 of this chapter.

Sec. 24. (a) This section applies to a student who:

(1) is at least sixteen (16) years of age; and

(2) wishes to reenroll after an expulsion.

(b) A principal may require a student to attend one (1) or more of the following:

(1) An alternative school or alternative educational program.

(2) Evening classes.

(3) Classes established for students who are at least sixteen (16) years of age.

Sec. 25. (a) This section applies to an individual who:

(1) is a member of the administrative staff, a teacher, or other school staff member; and

(2) has students under the individual's charge.

(b) An individual may take disciplinary action in addition to suspension and expulsion that is necessary to ensure a safe, orderly, and effective educational environment. Disciplinary action under this section may include the following:

(1) Counseling with a student or group of students.

(2) Conferences with a parent or group of parents.

(3) Assigning additional work.

(4) Rearranging class schedules.

(5) Requiring a student to remain in school after regular school hours:

(A) to do additional school work; or

(B) for counseling.

(6) Restricting extracurricular activities.

(7) Removal of a student by a teacher from that teacher's class for a period not to exceed:

(A) five (5) class periods for middle, junior high, or high school students; or

(B) one (1) school day for elementary school students;

if the student is assigned regular or additional school work to complete in another school setting.

(8) Assignment by the principal of:

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(A) a special course of study;
(B) an alternative educational program; or
(C) an alternative school.

(9) Assignment by the principal of the school where the recipient of the disciplinary action is enrolled of not more than one hundred twenty (120) hours of service with a nonprofit organization operating in or near the community where the school is located or where the student resides. The following apply to service assigned under this subdivision:

(A) A principal may not assign a student under this subdivision unless the student's parent approves:

(i) the nonprofit organization where the student is assigned; and

(ii) the plan described in clause (B)(i).

A student's parent may request or suggest that the principal assign the student under this subdivision.

(B) The principal shall make arrangements for the student's service with the nonprofit organization. Arrangements must include the following:

(i) A plan for the service that the student is expected to perform.

(ii) A description of the obligations of the nonprofit organization to the student, the student's parents, and the school corporation where the student is enrolled.

(iii) Monitoring of the student's performance of service by the principal or the principal's designee.

(iv) Periodic reports from the nonprofit organization to the principal and the student's parent or guardian of the student's performance of the service.

(C) The nonprofit organization must obtain liability insurance in the amount and of the type specified by the school corporation where the student is enrolled that is sufficient to cover liabilities that may be incurred by a student who performs service under this subdivision.

(D) Assignment of service under this subdivision suspends the implementation of a student's suspension or expulsion. A student's completion of service assigned under this subdivision to the satisfaction of the principal and the nonprofit organization terminates the student's suspension or expulsion.

(10) Removal of a student from school sponsored transportation.

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(11) Referral to the juvenile court having jurisdiction over the student.

(c) As used in this subsection, "physical assault" means the knowing or intentional touching of another person in a rude, insolent, or angry manner. When a student physically assaults a person having authority over the student, the principal of the school where the student is enrolled shall refer the student to the juvenile court having jurisdiction over the student. However, a student with disabilities (as defined in IC 20-35-7-7) who physically assaults a person having authority over the student is subject to procedural safeguards under 20 U.S.C. 1415.

Sec. 26. (a) The governing body of a school corporation may adopt rules that require a person having care of a dependent student to participate in an action taken under this chapter in connection with a student's behavior. The rules must include the following:

(1) Procedures for giving actual notice to the person having care of the dependent student.

(2) A description of the steps that the person must take to participate in the school corporation's action.

(3) A description of the additional actions in connection with the student's behavior that are justified in part or in full if the person does not participate in the school corporation's action.

(b) A dependent student is a child in need of services under IC 31-34-1-7 if, before the student child becomes eighteen (18) years of age:

(1) the student's parent fails to participate in a disciplinary proceeding in connection with the student's improper behavior, as provided for by this section, if the behavior of the student has been repeatedly disruptive in the school; and

(2) the student needs care, treatment, or rehabilitation that the child:

(A) is not receiving; and

(B) is unlikely to be provided or accepted without the coercive intervention of the court.

Sec. 27. The governing body of a school corporation may by rule:

(1) amplify;

(2) supplement; or

(3) extend;

the procedures provided in this chapter in any manner that is consistent with this chapter.

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Sec. 28. Any rights granted to a student or a student's parent by this chapter may be waived only by a written instrument signed by both the student and the student's parent. The waiver is valid if made:

(1) voluntarily; and

(2) with the knowledge of the:

(A) procedures available under this chapter; and

(B) consequences of the waiver.

Sec. 29. (a) As used in this section, "special school" includes the following:

(1) A vocational school.

(2) A special education school or program.

(3) An alternative school or program.

(b) To the extent possible, this chapter applies to a special school.

(c) The governing body of a special school may make necessary modifications to the responsibilities of school personnel under this chapter to accommodate the administrative structure of a special school.

(d) In addition to a disciplinary action imposed by a special school, the principal of the school where a student is enrolled may without additional procedures adopt a disciplinary action or decision of a special school as a disciplinary action of the school corporation.

Sec. 30. (a) This section applies to the following:

(1) A student who:

(A) is expelled from a school corporation or charter school under this chapter; or

(B) withdraws from a school corporation or charter school to avoid expulsion.

(2) A student who:

(A) is required to separate for disciplinary reasons from a nonpublic school or a school in a state other than Indiana by the administrative authority of the school; or

(B) withdraws from a nonpublic school or a school in a state other than Indiana in order to avoid being required to separate from the school for disciplinary reasons by the administrative authority of the school.

(b) The student referred to in subsection (a) may enroll in another school corporation or charter school during the period of the actual or proposed expulsion or separation if:

(1) the student's parent informs the school corporation in

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which the student seeks to enroll and also:

(A) in the case of a student withdrawing from a charter school that is not a conversion charter school to avoid expulsion, the conversion charter school; or

(B) in the case of a student withdrawing from a conversion charter school to avoid expulsion:

(i) the conversion charter school; and

(ii) the school corporation that sponsored the conversion charter school;

of the student's expulsion, separation, or withdrawal to avoid expulsion or separation;

(2) the school corporation (and, in the case of a student withdrawal described in subdivision (1)(A) or (1)(B), the charter school) consents to the student's enrollment; and

(3) the student agrees to the terms and conditions of enrollment established by the school corporation (or, in the case of a student withdrawal described in subdivision (1)(A) or (1)(B), the charter school or conversion charter school).

(c) If:

(1) a student's parent fails to inform the school corporation of the expulsion or separation or withdrawal to avoid expulsion or separation; or

(2) a student fails to follow the terms and conditions of enrollment under subsection (b)(3);

the school corporation or charter school may withdraw consent and prohibit the student's enrollment during the period of the actual or proposed expulsion or separation.

(d) Before a consent is withdrawn under subsection (c) the student must have an opportunity for an informal meeting before the principal of the student's proposed school. At the informal meeting, the student is entitled to:

(1) a written or an oral statement of the reasons for the withdrawal of the consent;

(2) a summary of the evidence against the student; and

(3) an opportunity to explain the student's conduct.

(e) This section does not apply to a student who is expelled under section 17 of this chapter.

Sec. 31. If a student is suspended or expelled from school or from any educational function under this chapter, the student's absence from school because of the suspension or expulsion is not a violation of:

(1) IC 20-33-2; or

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(2) any other statute relating to compulsory school attendance.

Sec. 32. (a) A school corporation must provide each:

(1) student; and

(2) student's parent;

a copy of the rules of the governing body on searches of students' lockers and locker contents.

(b) A student who uses a locker that is the property of a school corporation is presumed to have no expectation of privacy in:

(1) that locker; or

(2) the locker's contents.

(c) In accordance with the rules of the governing body, a principal may search:

(1) a student's locker; and

(2) the locker's contents;

at any time.

(d) A law enforcement agency having jurisdiction over the geographic area having a school facility containing a student's locker may:

(1) at the request of the school principal; and

(2) in accordance with rules of the governing body of the school corporation;

assist a school administrator in searching a student's locker and the locker's contents.

Sec. 33. Before February 1 and before October 1 of each year, except when a hearing has been requested to determine financial hardship under IC 9-24-2-1(a)(4), the governing body of the school corporation shall submit to the bureau of motor vehicles the pertinent information concerning an individual's ineligibility under IC 9-24-2-1 to be issued a driver's license or learner's permit, or concerning the invalidation of a license or permit under IC 9-24-2-4.

Sec. 34. (a) Notwithstanding any other law, a suspension, an expulsion, or another disciplinary action against a student who is a child with a disability (as defined in IC 20-35-1-2) is subject to the:

(1) procedural requirements of 20 U.S.C. 1415; and

(2) rules adopted by the state board.

(b) The division of special education shall propose rules under IC 20-35-2-1(b)(5) to the state board for adoption under IC 4-22-2 governing suspensions, expulsions, and other disciplinary action for a student who is a child with a disability (as defined in

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IC 20-35-1-2).

Chapter 9. Reporting Requirements

Sec. 1. Sections 5 through 9 of this chapter apply to the following:

(1) A violation under IC 7.1-5-7 (concerning minors and alcoholic beverages).

(2) A violation under IC 35-48-4 (offenses related to controlled substances).

Sec. 2. As used in this chapter, "intimidation" refers to intimidation under IC 35-45-2-1.

Sec. 3. As used in this chapter, "member of the administrative staff" or comparable language means a school corporation employee who:

(1) is certificated under the statutes relating to the licensing of teachers; and

(2) has supervisory authority.

Sec. 4. As used in this chapter, "threat" has the meaning set forth in IC 35-45-2-1.

Sec. 5. If a person other than a member of the administrative staff who is an employee of a school corporation has personally observed:

(1) a violation described in section 1 of this chapter; or

(2) a delinquent act that would be a violation under section 1 of this chapter if the violator were an adult;

in, on, or within one thousand (1,000) feet of the school property of the school corporation employing the person, the person shall immediately report the violation in writing to a member of the administrative staff of the school corporation employing the person.

Sec. 6. A member of the administrative staff who, based on personal knowledge or on the report of another employee of the school corporation, believes that a person has committed a violation described in section 1 of this chapter or a delinquent act that would be a violation described in section 1 of this chapter if the violator were an adult in, on, or within one thousand (1,000) feet of the school property of the school corporation employing the member, shall immediately report:

(1) a general description of the violation;

(2) the name or a general description of each violator known to the member;

(3) the date, time, and and place of the violation;

(4) the name or a general description of each person who the

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member knows witnessed any part of the violation; and

(5) a general description and the location of any property that the member knows was involved in the violation;

in writing to a law enforcement officer.

Sec. 7. A report is not required under sections 5 through 6 of this chapter if:

(1) a federal statute or regulation;

(2) IC 20-28-10-17, IC 25-33-1-17, IC 34-46-3-1, or another state statute; or

(3) a rule adopted by a state agency;

imposes a duty on the employee of the school corporation or member of the administrative staff not to disclose privileged or confidential information that otherwise would have been the basis of a report.

Sec. 8. (a) A person, other than a person who has committed a violation under section 1 of this chapter or a delinquent act that would be a violation under section 1 of this chapter if the violator were an adult, who:

(1) makes a report under this chapter in good faith;

(2) participates in good faith in a judicial proceeding resulting from a report under this chapter;

(3) employs a person described in subdivision (1) or (2); or

(4) supervises a person described in subdivision (1) or (2);

is not liable for civil damages or penalties that might otherwise be imposed because of the conduct described in subdivisions (1) through (4).

(b) A person described in subsection (a)(1) or (a)(2) is presumed to act in good faith.

Sec. 9. The law enforcement agencies and the school corporations in each county shall develop and administer a program to efficiently implement this chapter.

Sec. 10. In addition to any other duty to report arising under this article, an individual who has reason to believe that a school employee has received a threat or is the victim of intimidation shall report that information as required by this chapter.

Sec. 11. (a) If an individual who is required to make a report under this chapter is a member of the staff of a school, the individual shall make the report by immediately notifying the principal of the school that a school employee may have received a threat or may be the victim of intimidation.

(b) An individual who receives a report under subsection (a) shall immediately make a report or cause a report to be made

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under section 13 of this chapter.

Sec. 12. This chapter does not relieve an individual of the obligation to report a threat or intimidation on the individual's own behalf, unless a report has already been made to the best of the individual's belief.

Sec. 13. An individual who has a duty under sections 10 through 12 of this chapter to report that a school employee may have received a threat or may be the victim of intimidation shall immediately make an oral report to the local law enforcement agency.

Sec. 14. Except as provided in section 15 of this chapter, an individual, other than a person accused of making a threat or intimidating a school employee, who:

(1) makes, or causes to be made, a report under this chapter; or

(2) participates in any judicial proceeding or other proceeding:

(A) resulting from a report under this chapter; or

(B) relating to the subject matter of the report;

is immune from any civil or criminal liability that might otherwise be imposed because of such actions.

Sec. 15. An individual who has acted maliciously or in bad faith is not immune from civil or criminal liability under this chapter.

Sec. 16. An individual making a report under sections 10 through 14 of this chapter or assisting in any requirement of sections 10 through 14 of this chapter is presumed to have acted in good faith.

Chapter 10. Access to High School Student Information by Military Organizations

Sec. 1. This chapter applies only to public high schools.

Sec. 2. As used in this chapter, "armed forces of the United States" means:

(1) the United States Air Force;

(2) the United States Army;

(3) the United States Coast Guard;

(4) the United States Marine Corps;

(5) the United States Navy; and

(6) any reserve components of the military forces listed in subdivisions (1) through (5).

Sec. 3. As used in this chapter, "student directory information" means the student's:

(1) name;

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(2) address; and

(3) telephone number, if the telephone number is a listed or published telephone number.

Sec. 4. (a) Except as provided in subsection (b), a high school shall provide access to the high school campus and the high school's student directory information to official recruiting representatives of:

(1) the armed forces of the United States;

(2) the Indiana Air National Guard;

(3) the Indiana Army National Guard; and

(4) the service academies of the armed forces of the United States;

for purposes of informing students of educational and career opportunities available in the armed forces of the United States, the Indiana Air National Guard, the Indiana Army National Guard, and the service academies of the armed forces of the United States.

(b) If:

(1) a high school student; or

(2) the parent of a high school student;

submits a signed, written request to a high school at the end of the student's sophomore year that indicates the student or the parent of the student does not want the student's directory information to be provided to official recruiting representatives under subsection (a), the high school may not provide access to the student's directory information to an official recruiting representative. A high school shall notify students and the parents, guardians, or custodians of students of the provisions of this subsection.

(c) A high school may require an official recruiting representative to pay a fee:

(1) for copying and mailing the high school's student directory information described under subsection (a); and

(2) in an amount that is not more than the actual costs incurred by the high school.

Sec. 5. Information received by an official recruiting representative under section 4 of this chapter:

(1) may be used only to provide information to students concerning educational and career opportunities available in:

(A) the armed forces of the United States;

(B) the Indiana Air National Guard;

(C) the Indiana Army National Guard; and

(D) the service academies of the armed forces of the United States; and

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(2) may not be released to a person who is not involved in recruiting high school students for:

(A) the armed forces of the United States;

(B) the Indiana Air National Guard;

(C) the Indiana Army National Guard; and

(D) the service academies of the armed forces of the United States.

SECTION 18. IC 20-34 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

ARTICLE 34. STUDENT HEALTH AND SAFETY MEASURES

Chapter 1. Acquired Immune Deficiency Syndrome Advisory Council

Sec. 1. As used in this chapter, "AIDS" means the communicable disease known as acquired immune deficiency syndrome.

Sec. 2. As used in this chapter, "council" refers to an AIDS advisory council established under this chapter.

Sec. 3. (a) The governing body of each school corporation shall establish a council.

(b) Subsection (a) does not apply to a school corporation that has:

(1) established an advisory committee composed of parents, students, teachers, administrators, and representatives of the state department of health; and

(2) met and identified educational materials and resources reflecting community standards on AIDS before February 15, 1988.

Sec. 4. The council consists of thirteen (13) members. The governing body shall appoint all the members of the council.

Sec. 5. One (1) member of the council must be:

(1) a representative of the local board of health or state department of health; and

(2) trained in the area of dangerous communicable diseases, including AIDS.

Sec. 6. The remaining members must include the following individuals:

(1) Two (2) students.

(2) Two (2) teachers.

(3) Two (2) parents of children who attend public schools governed by the governing body.

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(4) Two (2) representatives of school administrators.

(5) Two (2) representatives of the health care professions, one (1) of whom must be a physician licensed under IC 25-22.5.

(6) Two (2) citizens who reside in the community served by the school corporation.

Sec. 7. The term of a council member is two (2) years, beginning upon appointment. If a successor is not appointed at the end of the term, the term continues until a successor is appointed.

Sec. 8. The council shall, at its first meeting of each year, elect a chairperson, vice chairperson, and secretary.

Sec. 9. The term of an officer elected under section 8 of this chapter:

(1) begins upon election; and

(2) ends upon the election of a successor.

Sec. 10. The governing body shall furnish the council with the necessary staff to conduct the council's business.

Sec. 11. At the first meeting of each year, a representative of the local board of health or state department of health, or an individual approved by the state department of health, shall instruct the members of the council on the source, transmission, and prevention of AIDS.

Sec. 12. At the second meeting of each year, the council shall hold a public meeting and solicit testimony from members of the community concerning community attitudes and values on matters that affect the instruction on AIDS that is presented within the school corporation.

Sec. 13. The council shall do the following:

(1) Identify and study educational materials and resources on AIDS that are available for use in the schools within the school corporation.

(2) Determine which educational materials and resources are based on sound medical principles and reflect the attitude of the community.

(3) Recommend to the school corporation educational materials and resources on AIDS that reflect the standards of the community.

Sec. 14. The governing body shall consider the recommendations of the council.

Chapter 2. Drug-Free Schools Committee

Sec. 1. As used in this chapter, "committee" refers to a drug-free schools committee.

Sec. 2. To facilitate the establishment of drug-free schools in

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Indiana, the governing body of each school corporation shall establish a drug-free schools committee for each school in the school corporation.

Sec. 3. Each committee must consist of not more than fifteen (15) members who represent the following from the school corporation:

(1) School personnel.

(2) Parents of students.

(3) Representatives of the community.

Sec. 4. Appointments to the committee must be made in compliance with contractual provisions, discussion procedures, or past practice.

Sec. 5. Each committee shall do the following:

(1) Develop a drug-free school plan that:

(A) requires each school to collect and report drug related activities in the school, including suspensions, expulsions, exclusions, police actions, or any other type of drug related behavior; and

(B) addresses ways to eliminate illegal drugs and drug related behavior in schools.

(2) Oversee the implementation of the school plan.

(3) Oversee the implementation of the curriculum under IC 20-30-5-11.

Chapter 3. Health and Safety Measures

Sec. 1. (a) When the power to make rules for the administration of a section of this chapter or IC 20-34-4 is not specifically granted to a particular board or agency, the state department of health and the state board shall jointly adopt rules.

(b) A rule adopted under this chapter or IC 20-34-4 must comply with IC 4-22-2. However, the state department of health may prescribe forms for any reports required under this chapter or IC 20-34-4 without formal procedures.

Sec. 2. (a) Except as otherwise provided, a student may not be required to undergo any testing, examination, immunization, or treatment required under this chapter or IC 20-34-4 when the child's parent objects on religious grounds. A religious objection does not exempt a child from any testing, examination, immunization, or treatment required under this chapter or IC 20-34-4 unless the objection is:

(1) made in writing;

(2) signed by the child's parent; and

(3) delivered to the child's teacher or to the individual who

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might order a test, an exam, an immunization, or a treatment absent the objection.

(b) A teacher may not be compelled to undergo any testing, examination, or treatment under this chapter or IC 20-34-4 if the teacher objects on religious grounds. A religious objection does not exempt an objecting individual from any testing, examination, or treatment required under this chapter or IC 20-34-4 unless the objection is:

(1) made in writing;

(2) signed by the objecting individual; and

(3) delivered to the principal of the school in which the objecting individual teaches.

Sec. 3. If a physician certifies that a particular immunization required by this chapter or IC 20-34-4 is or may be detrimental to a student's health, the requirements of this chapter or IC 20-34-4 for that particular immunization is inapplicable for the student until the immunization is found no longer detrimental to the student's health.

Sec. 4. The governing body of a school corporation may provide for the inspection of students by a school physician to determine whether any child suffers from disease, disability, decayed teeth, or other defects that may reduce the student's efficiency or prevent the student from receiving the full benefit of the student's school work.

Sec. 5. If the parent of a student furnishes a certificate of examination from an Indiana physician at the beginning of a school year, the student is exempt from any examination the governing body requires under section 4 of this chapter. The certificate of examination must state that the physician has examined the student and reported the results of the examination to the parent. The governing body may require a parent to periodically furnish additional certificates.

Sec. 6. (a) The governing body of a school corporation may appoint one (1) or more school physicians and one (1) or more nurses who are registered to practice nursing in Indiana.

(b) A nurse appointed under this section is responsible for emergency nursing care of students when an illness or accident occurs during school hours or on or near school property.

Sec. 7. (a) Two (2) or more school corporations may jointly employ one (1) physician, one (1) health coordinator, and one (1) or more nurses. School corporations may also employ the personnel jointly with a civil city or town.

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(b) Arrangements under this section must be on terms agreeable to all school corporations involved.

Sec. 8. A school physician shall promptly examine each student who is referred to the physician. The physician shall examine teachers and janitors and inspect school buildings to the extent required, in the physician's opinion, to protect the health of students and teachers.

Sec. 9. (a) If a student is ill, has a communicable disease, or is infested with parasites, the school principal may send the student home with a note to the student's parent. The note must describe the nature of the illness or infestation and, if appropriate, recommend that the family physician be consulted.

(b) If the parent of a student who is sent home under this section is financially unable to provide the necessary medical care, the medical care shall be provided by a public health facility. If a public health facility is not available, the township trustee or an appropriate governmental agency shall provide the necessary care.

(c) A student who is sent home under this section may be readmitted to the school:

(1) when it is apparent to school officials that the student is no longer ill, no longer has a communicable disease, or is no longer infested with parasites;

(2) upon certification of a physician that the student is no longer ill, no longer has a communicable disease, or is no longer infested with parasites;

(3) upon certification of a physician that the student has a communicable disease, but the disease is not transmissible through normal school contacts; or

(4) upon certification of a Christian Science practitioner, who is listed in The Christian Science Journal, that based on the practitioner's observation the student apparently is no longer ill, no longer has a communicable disease, or is no longer infested with parasites.

If school personnel disagree with the certifying physician or Christian Science practitioner as to whether the student should be readmitted to school, the local health officer shall determine whether the student may be readmitted to school.

(d) An individual who objects to the determination made by the local health officer under this section may appeal to the commissioner of the state department of health, who is the ultimate authority. IC 4-21.5 applies to appeals under this subsection.

Sec. 10. (a) A sickle cell anemia test shall be administered to

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each student when the examining physician or school nurse determines that the test is necessary. The physician shall state on the examination form whether the test was given and, if it was, the result. All positive results shall be filed with the examining physician and the state department of health.

(b) The state department of health and the state board shall adopt joint rules concerning sickle cell anemia testing equipment, qualifications for sickle cell anemia testing personnel, and sickle cell anemia testing procedures.

(c) Records of all tests administered under this section shall be made and continuously maintained by the state department of health to provide information useful in protecting, promoting, and maintaining the health of students.

Sec. 11. (a) The governing body of a school corporation may require students to be tested for lead poisoning.

(b) If a student's parent states in writing that the parent is financially unable to pay for a test under this section, the student shall be referred to the free clinic or public health facility in the area that provides services for indigents.

(c) The state department of health and the state board shall adopt joint rules concerning lead poisoning testing under this section.

(d) Records of all tests administered under this section shall be made and continuously maintained by the state department of health to provide information useful in protecting, promoting, and maintaining the health of students.

Sec. 12. (a) For purposes of this section, "modified clinical technique" means a battery of vision tests that includes:

(1) a visual acuity test to determine an individual's ability to see at various distances;

(2) a refractive error test to determine the focusing power of the eye;

(3) an ocular health test to determine any external or internal abnormalities of the eye; and

(4) a binocular coordination test to determine if the eyes are working together properly.

(b) The governing body of each school corporation shall conduct:

(1) an annual vision test, using the modified clinical technique, of each student upon the student's enrollment in either kindergarten or grade 1; and

(2) an annual screening test of the visual acuity of each

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student enrolled in or transferred to grade 3 and grade 8 and of all other students suspected of having a visual defect.

(c) Records of all tests shall be made and continuously maintained by the school corporation to provide information useful in protecting, promoting, and maintaining the health of students. The state department of health and the state board shall adopt joint rules concerning vision testing equipment, qualifications of vision testing personnel, visual screening procedures, and criteria for failure and referral in the screening tests based on accepted medical practice and standards.

Sec. 13. (a) If a school corporation is unable to comply with section 12(b)(1) of this chapter, the governing body may, before November 1 of a school year, request from the state superintendent a waiver of the requirements of section 12(b)(1) of this chapter.

(b) The waiver request under subsection (a) must:

(1) be in writing;

(2) include the reason or reasons that necessitated the waiver request; and

(3) indicate the extent to which the governing body attempted to comply with the requirements under section 12(b)(1) of this chapter.

(c) The state superintendent shall take action on the waiver request not later than thirty (30) days after receiving the waiver request.

(d) The state superintendent may:

(1) approve the waiver request;

(2) deny the waiver request; or

(3) provide whatever relief that may be available to enable the school corporation to comply with the requirements under section 12(b)(1)of this chapter.

(e) If the state superintendent approves the waiver request, the governing body shall conduct an annual screening test of the visual acuity of each student upon the student's enrollment in or transfer to grade 1.

Sec. 14. (a) The governing body of each school corporation shall annually conduct an audiometer test or a similar test to determine the hearing efficiency of the following students:

(1) Students in grade 1, grade 4, grade 7, and grade 10.

(2) A student who has transferred into the school corporation.

(3) A student who is suspected of having hearing defects.

(b) A governing body may appoint the technicians and assistants necessary to perform the testing required under this section.

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(c) Records of all tests shall be made and continuously maintained by the school corporation to provide information that may assist in diagnosing and treating any student's auditory abnormality. However, diagnosis and treatment shall be performed only on recommendation of an Indiana physician who has examined the student.

(d) The governing body may adopt rules for the administration of this section.

Sec. 15. (a) Whenever the test required under section 14 of this chapter discloses that the hearing of a student is impaired and the student cannot be taught advantageously in regular classes, the governing body of the school corporation shall provide appropriate remedial measures and correctional devices. The governing body shall advise the student's parent of the proper medical care, attention, and treatment needed. The governing body shall provide approved mechanical auditory devices and prescribe courses in lip reading by qualified, competent, and approved instructors. The state superintendent and the director of the rehabilitation services bureau of the division of disability, aging, and rehabilitative services shall:

(1) cooperate with school corporations to provide assistance under this section; and

(2) provide advice and information to assist school corporations in complying with this section.

The governing body may adopt rules for the administration of this section.

(b) Each school corporation may receive and accept bequests and donations for immediate use or as trusts or endowments to assist in meeting costs and expenses incurred in complying with this section. When funds for the full payment of the expenses are not otherwise available in a school corporation, an unexpended balance in the state treasury that is available for the use of local schools and is otherwise unappropriated may be loaned to the school corporation for that purpose by the governor. A loan made by the governor under this section shall be repaid to the fund in the state treasury from which the loan came not more than two (2) years after the date it was advanced. Loans under this section shall be repaid through the levying of taxes in the borrowing school corporation.

Sec. 16. A test to determine postural defects shall be administered to each public school student in grade 5, grade 7, and grade 9. The state department of health may recommend

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procedures and guidelines for the administration of this section.

Sec. 17. (a) The state board shall provide information stressing the moral aspects of abstinence from sexual activity in any literature that it distributes to students and young adults concerning available methods for the prevention of acquired immune deficiency syndrome (AIDS). The literature must state that the best way to avoid AIDS is for young people to refrain from sexual activity until they are ready as adults to establish, in the context of marriage, a mutually faithful monogamous relationship.

(b) The state board may not distribute AIDS literature described in subsection (a) to students without the consent of the governing body of the school corporation the students attend.

Sec. 18. (a) This section does not apply to medication possessed by a student for self-administration under IC 20-33-8-13.

(b) Except as provided in subsection (d), a school corporation may not send home with a student medication that is possessed by a school for administration during school hours or at school functions.

(c) Medication that is possessed by a school for administration during school hours or at school functions for a student in kindergarten through grade 8 may be released only to:

(1) the student's parent; or

(2) an individual who is:

(A) at least eighteen (18) years of age; and

(B) designated in writing by the student's parent to receive the medication.

(d) A school corporation may send home medication that is possessed by a school for administration during school hours or at school functions with a student in grades 9 through 12 if the student's parent provides written permission for the student to receive the medication.

Sec. 19. (a) Each public school student and teacher shall wear industrial quality eye protective devices at all times while participating in any of the following courses:

(1) Vocational or industrial arts shops or laboratories involving experience with:

(A) hot molten metals;

(B) milling, sawing, turning, shaping, cutting, or stamping of any solid material;

(C) heat treatment, tempering, or kiln firing of any metal or material;

(D) gas or electric arc welding;

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(E) repair or servicing of any vehicle; or

(F) caustic or explosive materials.

(2) Chemical or combined chemical-physical laboratories involving caustic or explosive chemicals or hot liquids or solids.

(b) Eye protective devices are of industrial quality if the devices meet the standards of the American standard safety code for head, eye, and respiratory protection, Z2.1-1959, promulgated by the American Standards Association, Inc.

Sec. 20. (a) The governing body of a school corporation shall require each school in the governing body's jurisdiction to conduct periodic fire drills during the school year in compliance with rules adopted under IC 4-22-2 by the state board.

(b) The governing body of a school corporation shall require each principal to file a certified statement that fire drills have been conducted as required under this section.

Chapter 4. Immunizations

Sec. 1. (a) Each school shall keep an immunization record of the school's students. The records must be kept uniformly throughout Indiana according to procedures prescribed by the state department of health.

(b) Whenever a student transfers to another school, the school from which the student is transferring may furnish, not later than twenty (20) days after the transfer, a copy of the student's immunization record to the school to which the student is transferring.

(c) Whenever a student enrolls in a postsecondary institution (as defined in IC 20-12-71-8), the school from which the student graduated may furnish a copy of the student's immunization record to the postsecondary institution. If the student is enrolled in a postsecondary institution while still attending a secondary level school, the secondary level school that the student is attending may furnish a copy of the student's immunization record to the postsecondary institution.

Sec. 2. (a) Every child residing in Indiana shall be immunized against:

(1) diphtheria;

(2) pertussis (whooping cough);

(3) tetanus;

(4) measles;

(5) rubella;

(6) poliomyelitis; and

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(7) mumps.

(b) Every child residing in Indiana who enters kindergarten or grade 1 shall be immunized against hepatitis B and chicken pox.

(c) The state department of health may expand or otherwise modify the list of communicable diseases that require documentation of immunity as medical information becomes available that would warrant the expansion or modification in the interest of public health.

(d) The state department of health shall adopt rules under IC 4-22-2 specifying the:

(1) required immunizations;

(2) child's age for administering each vaccine;

(3) adequately immunizing doses; and

(4) method of documentation of proof of immunity.

Sec. 3. Each school shall notify each parent of a student who enrolls in the school of the requirement that the student must be immunized and that the immunization is required for the student's continued enrollment, attendance, or residence at the school unless:

(1) the parent or student provides the appropriate documentation of immunity;

(2) for chicken pox, the parent or student provides a written signed statement that the student has indicated a history of chicken pox; or

(3) IC 20-34-3-2 or IC 20-34-3-3 applies.

Sec. 4. (a) The parent of any student who has not received the immunizations required under this chapter shall present the student to a physician and request the physician administer the immunizations. If the parent is unable to secure the immunizations, the local health department serving the area in which the student resides may provide the immunizations. Vaccines provided by the local health department shall be furnished by the local health board or the state department of health from available supplies.

(b) The physician who administers the required vaccines to a student shall give a certificate or other documentation of the immunizations to the individual who presented the student for immunization. This certificate or other documentation shall be presented on request to the local health department or the local health department's authorized representative.

Sec. 5. (a) Each school shall require the parent of a student who has enrolled in the school to furnish not later than the first day of school a written statement of the student's immunization,

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accompanied by the physician's certificates or other documentation, unless a written statement of this nature is on file with the school.

(b) The statement must show, except for a student to whom IC 20-34-3-2 or IC 20-34-3-3 applies, that the student has been immunized as required under section 2 of this chapter. The statement must include the student's date of birth and the date of each immunization.

(c) A student may not be permitted to attend school beyond the first day of school without furnishing the written statement, unless:

(1) the school gives the parent of the student a waiver; or

(2) the local health department or a physician determines that the student's immunization schedule has been delayed due to extreme circumstances and that the required immunizations will not be completed before the first day of school.

The waiver referred to in subdivision (1) may not be granted for a period that exceeds twenty (20) days. If subdivision (2) applies, the parent of the student shall furnish the written statement and a schedule, approved by a physician or the local health department, for the completion of the remainder of the immunizations.

(d) The state department of health may commence an action against a school under IC 4-21.5-3-6 or IC 4-21.5-4 for the issuance of an order of compliance for failure to enforce this section.

(e) Neither a religious objection under IC 20-34-3-2 nor an exception for the student's health under IC 20-34-3-3 relieves a parent from the reporting requirements under this section.

(f) The state department of health shall adopt rules under IC 4-22-2 to implement this section.

Sec. 6. (a) Not later than sixty (60) days after the enrollment of students for the first time and when additional immunizations are required by statute or rule, each school shall file a written report with the state department of health and the local health department having jurisdiction. The report must include the following:

(1) A statement of the number of students who have demonstrated immunity against diphtheria, pertussis (whooping cough), tetanus, measles, rubella, poliomyelitis, mumps, and hepatitis B.

(2) A statement of the number of students who have not demonstrated immunity against the illnesses listed in subdivision (1).

(3) A statement of the number of students who have been

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found positive for sickle cell anemia or lead poisoning.

(b) The state department of health and the local health department shall, for good cause shown that there exists a substantial threat to the health and safety of a student or the school community, be able to validate immunization reports by onsite reviews or examinations of nonidentifying immunization record data. This section does not independently authorize the state department of health, a local department of health, or an agent of the state department of health or local department of health to have access to identifying medical or academic record data of individual students attending nonaccredited nonpublic schools.

(c) A report shall be filed for each student who enrolls subsequent to the filing of the report for students who enrolled at the beginning of the school year. The state department of health has exclusive power to adopt rules for the administration of this section.

Sec. 7. (a) Each student in Indiana who enters grade 9 or grade 12 shall be immunized against hepatitis B. However, a student may not be prevented from enrolling in, attending, or graduating from high school for the sole reason that the student has not been immunized under this section.

(b) Beginning in the 2007-2008 school year, a high school is not required to notify each parent of a student enrolled to enter grade 9 of the immunization requirement in this section.

(c) The exceptions in IC 20-34-3-2 and IC 20-34-3-3 apply to this section.

(d) This section expires July 1, 2008.

SECTION 19. IC 20-35 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

ARTICLE 35. SPECIAL EDUCATION

Chapter 1. Definitions

Sec. 1. The definitions in this chapter apply throughout this chapter, IC 20-35-2 through IC 20-35-6, and IC 20-35-8.

Sec. 2. "Child with a disability" means a child who:

(1) is at least three (3) years of age but less than twenty-two (22) years of age; and

(2) because of physical or mental disability is incapable of being educated properly and efficiently through normal classroom instruction, but who, with the advantage of a special educational program, may be expected to benefit from instruction in surroundings designed to further the

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educational, social, or economic status of the child.

Sec. 3. "Director" refers to the director of the division of special education.

Sec. 4. "Division" refers to the division of special education established by IC 20-35-2-1.

Sec. 5. "Preschool child with a disability" refers to a disabled child who is at least three (3) years of age by June 1 of the school year.

Sec. 6. "School corporation" means a corporation authorized by law to establish public schools and levy taxes for the maintenance of the schools.

Sec. 7. "Special education" means instruction specially designed to meet the unique needs of a child with a disability. The term includes transportation, developmental, corrective, and other support services and training only when required to assist a child with a disability to benefit from the instruction itself.

Chapter 2. Division of Special Education

Sec. 1. (a) There is established under the state board a division of special education. The division shall exercise all the power and duties set out in this chapter, IC 20-35-3 through IC 20-35-6, and IC 20-35-8.

(b) The governor shall appoint, upon the recommendation of the state superintendent, a director of special education who serves at the pleasure of the governor. The amount of compensation of the director shall be determined by the budget agency with the approval of the governor. The director has the following duties:

(1) To do the following:

(A) Have general supervision of all programs, classes, and schools for children with disabilities, including those conducted by public schools, the Indiana School for the Blind, the Indiana School for the Deaf, the department of correction, the state department of health, the division of disability, aging, and rehabilitative services, and the division of mental health and addiction.

(B) Coordinate the work of schools described in clause (A). For programs for preschool children with disabilities as required under IC 20-35-4-9, have general supervision over programs, classes, and schools, including those conducted by the schools or other state or local service providers as contracted for under IC 20-35-4-9. However, general supervision does not include the determination of admission standards for the state departments, boards, or agencies

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authorized to provide programs or classes under this chapter.

(2) To adopt, with the approval of the state board, rules governing the curriculum and instruction, including licensing of personnel in the field of education, as provided by law.

(3) To inspect and rate all schools, programs, or classes for children with disabilities to maintain proper standards of personnel, equipment, and supplies.

(4) With the consent of the state superintendent and the budget agency, to appoint and determine salaries for any assistants and other personnel needed to enable the director to accomplish the duties of the director's office.

(5) To adopt, with the approval of the state board, the following:

(A) Rules governing the identification and evaluation of children with disabilities and their placement under an individualized education program in a special education program.

(B) Rules protecting the rights of a child with a disability and the parents of the child with a disability in the identification, evaluation, and placement process.

(6) To make recommendations to the state board concerning standards and case load ranges for related services to assist each teacher in meeting the individual needs of each child according to that child's individualized education program. The recommendations may include the following:

(A) The number of teacher aides recommended for each exceptionality included within the class size ranges.

(B) The role of the teacher aide.

(C) Minimum training recommendations for teacher aides and recommended procedures for the supervision of teacher aides.

(7) To cooperate with the interagency coordinating council established by IC 12-17-15-7 to ensure that the preschool special education programs required IC 20-35-4-9 are consistent with the early intervention services program described in IC 12-17-15.

(c) The director or the state board may exercise authority over vocational programs for children with disabilities through a letter of agreement with the department of workforce development.

Chapter 3. State Advisory Council

Sec. 1. (a) The state superintendent shall appoint a state advisory council on the education of children with disabilities. The

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state advisory council's duties consist of providing policy guidance concerning special education and related services for children with disabilities. The state superintendent shall appoint at least seventeen (17) members who serve for a term of four (4) years. Vacancies shall be filled in the same manner for the unexpired balance of the term.

(b) The members of the state advisory council must be:

(1) citizens of Indiana;

(2) representative of the state's population; and

(3) selected on the basis of their involvement in or concern with the education of children with disabilities.

(c) A majority of the members of the state advisory council must be individuals with disabilities or the parents of children with disabilities. Members must include the following:

(1) Parents of children with disabilities.

(2) Individuals with disabilities.

(3) Teachers.

(4) Representatives of higher education institutions that prepare special education and related services personnel.

(5) State and local education officials.

(6) Administrators of programs for children with disabilities.

(7) Representatives of state agencies involved in the financing or delivery of related services to children with disabilities, including the following:

(A) The commissioner of the state department of health or the commissioner's designee.

(B) The director of the division of disability, aging, and rehabilitative services or the director's designee.

(C) The director of the division of mental health and addiction or the director's designee.

(D) The director of the division of family and children or the director's designee.

(8) Representatives of nonpublic schools and freeway schools.

(9) One (1) or more representatives of vocational, community, or business organizations concerned with the provision of transitional services to children with disabilities.

(10) Representatives of the department of correction.

(11) A representative from each of the following:

(A) The Indiana School for the Blind board.

(B) The Indiana School for the Deaf board.

(d) The responsibilities of the state advisory council are as follows:

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(1) To advise the state superintendent and the state board regarding all rules pertaining to children with disabilities.

(2) To recommend approval or rejection of completed comprehensive plans submitted by school corporations acting individually or on a joint school services program basis with other corporations.

(3) To advise the department of unmet needs within Indiana in the education of children with disabilities.

(4) To provide public comment on rules proposed by the state board regarding the education of children with disabilities.

(5) To advise the department in developing evaluations and reporting data to the United States Secretary of Education under 20 U.S.C. 1418.

(6) To advise the department in developing corrective action plans to address findings identified in federal monitoring reports under 20 U.S.C. 1400 et seq.

(7) To advise the department in developing and implementing policies related to the coordination of services for children with disabilities.

(e) The state advisory council shall do the following:

(1) Organize with a chairperson selected by the state superintendent.

(2) Meet as often as necessary to conduct the council's business at the call of the chairperson, upon ten (10) days written notice, but not less than four (4) times a year.

(f) Members of the state advisory council are entitled to reasonable amounts for expenses necessarily incurred in the performance of their duties.

(g) The state superintendent shall do the following:

(1) Designate the director to act as executive secretary of the state advisory council.

(2) Furnish all professional and clerical assistance necessary for the performance of the state advisory council's powers and duties.

(h) The affirmative votes of a majority of the members appointed to the state advisory council are required for the state advisory council to take action.

Chapter 4. School Corporations: Powers and Duties Regarding Children With Disabilities

Sec. 1. (a) A school corporation acting individually or in a joint school services program with other corporations may establish and maintain instructional facilities for the instruction of children with

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disabilities.

(b) A school corporation may provide transfer and transportation of children with disabilities residing in the geographical limits of the corporation to facilities for the instruction of children with disabilities that are not maintained by the school corporation.

(c) A school corporation acting individually or in a joint school services program with other corporations may convert, build, or lease the necessary school buildings or use existing buildings to establish and maintain classes of one (1) or more pupils who are:

(1) residents of Indiana; and

(2) children with disabilities.

(d) A school corporation may provide for instruction of any child with a disability who is not able to attend a special class or school for children with disabilities. Special personnel may be employed in connection with these classes of schools, and any expenditures for these classes of schools are lawful expenditures for maintaining the education of children with disabilities.

(e) All nurses, therapists, doctors, psychologists, and related specialists employed under this chapter:

(1) must be registered and authorized to practice under Indiana law; and

(2) are subject to any additional requirements of the division.

(f) A school corporation acting individually or in a joint school services program with other corporations may purchase special equipment needed in a class or school for children with disabilities, and any expenditures made for this special equipment are lawful expenditures for maintaining the education of children with disabilities.

(g) Children with disabilities shall receive credit for schoolwork accomplished on the same basis as normal children who do similar work.

(h) A school corporation constructing or operating a school under this chapter:

(1) shall pay the operating expense for each student attending; and

(2) is entitled to receive state aid for these students under the applicable laws.

Other school corporations sending children with disabilities as students of the school shall pay tuition in accordance with IC 20-35-8-1 through IC 20-35-8-2.

(i) If the state receives funds from the federal government to aid

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in the operation of any school for children with disabilities, the division shall distribute among these schools the grant of federal funds that are appropriated. The federal funds shall be expended for the purposes for which the funds are granted.

(j) Except as provided in section 9 of this chapter with regard to preschool children with disabilities, schools or classes for children with disabilities shall be operated by the school corporation establishing the schools or classes under:

(1) Indiana laws applying to the operation of public schools; and

(2) the supervision of the division.

(k) Teachers in classes and schools for children with disabilities:

(1) shall be appointed in the same manner as other public school teachers; and

(2) must possess:

(A) the usual qualifications required of teachers in the public schools; and

(B) any special training that the state board requires.

(l) The state board shall adopt rules under IC 4-22-2 governing the qualifications required of preschool teachers under contractual agreements entered into under section 9 of this chapter.

(m) Qualifications of paraprofessional personnel to be employed under this chapter are subject to a determination by the department. Before any type of special class organized or to be organized under this chapter is established in any school corporation or through any contractual agreement, the special class must be submitted to and approved by the state board.

(n) The state board shall adopt rules under IC 4-22-2 necessary for the proper administration of this chapter.

Sec. 2. (a) The division may, upon application by the governing body of a school corporation, together with proof of need, authorize the school corporation to purchase, convert, remodel, or construct rooms or buildings for special schools for children with disabilities in an effort to have the schools located near the homes of the children with disabilities the schools will serve.

(b) The school corporation:

(1) shall pay the cost of purchase, conversion, remodeling, and construction and the cost of building equipment of any such school; and

(2) may finance such conversion, remodeling, and construction as other school buildings are financed.

(c) The school corporation establishing any such school may

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send all its children with disabilities to the school and shall admit, if facilities permit, any other children with disabilities in Indiana who:

(1) are eligible under this chapter; and

(2) are not provided with an opportunity to attend an adequate school in their own school corporation.

Sec. 3. (a) The medical care of a child with a disability is the responsibility of the physician chosen by the parent to attend the child. However, a child with a disability is not excused from attending school unless the local health officer, upon a statement of the attending physician, certifies that attendance would be injurious to the child. The educational and recreational program may not alter in any way the medical care prescribed by the proper medical authority. Eligibility for all special education classes and programs must be determined by appropriate specialists.

(b) All nurses and special therapists in physical therapy, occupational therapy, and related medical fields must be:

(1) graduates of fully accredited training schools; and

(2) registered by their respective examining boards or by their respective professional associations.

(c) The medical care of needy children with disabilities is the responsibility of the state department of health and its program for children with special health care needs, to the extent provided by law.

(d) The personnel and facilities under the program for children with special health care needs shall be used at all times for the following:

(1) The determination of policies related to the medical care of children with disabilities.

(2) The professional supervision of all special therapists.

(3) Individual casework as available.

Sec. 4. (a) For the administration and field service of the division, there is appropriated annually out of the excise funds of the alcohol and tobacco commission an amount to administer this chapter as determined by the general assembly.

(b) Money appropriated under this section shall be deposited into a special fund in the state treasury to be known as the special education fund. The special education fund shall be:

(1) administered by the state superintendent; and

(2) used only for the administration of IC 20-35-2 through IC 20-35-6 and IC 20-35-8.

Sec. 5. This chapter does not amend, alter, or repeal any other

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statute but is supplemental to other statutes.

Sec. 6. (a) Except as provided in subsection (b), this chapter does not require a student to:

(1) undergo physical or medical examination or treatment; or

(2) be compelled to receive medical instruction;

if the parent of the student, in writing, notifies the teacher or principal or other person in charge of the student that the parent objects to the medical examination, treatment, or instruction because the parent relies in good faith on prayer or spiritual means for the treatment of sickness or affliction.

(b) An objection may not be made to a physical or medical examination of a child with a physical disability to determine whether the child shall be admitted to any class or school for children with disabilities.

Sec. 7. (a) The governing body of a school corporation may do the following:

(1) Accept, receive, and administer any gift, devise, legacy, or bequest of real or personal property, including the income from real estate:

(A) to or for the benefit of any school, dormitory, or facility for the education of children with disabilities; and

(B) for any of the purposes contemplated under this chapter and not inconsistent with this chapter or Indiana law.

(2) Invest or reinvest any of the funds received under this section in the same kind of securities in which life insurance companies are authorized by law to invest their funds.

(b) All money received by a school corporation under this section and all money, proceeds, or income realized from any real estate or other investments or property:

(1) shall be kept in a special fund;

(2) may not be commingled with any other fund or funds received from taxation; and

(3) may be expended by the governing body of the school corporation in any manner consistent with the:

(A) purposes of IC 20-35-2 through IC 20-35-6 and IC 20-35-8; and

(B) intention of the donor or donors.

Sec. 8. (a) The school corporation in which a child with a disability resides is primarily responsible for providing the child with an appropriate special education program. The governing body of each school corporation shall establish and maintain the

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special educational facilities that are needed for:

(1) children with disabilities residing in the school corporation; and

(2) other children as authorized by this chapter.

However, under rules adopted by the state board, a child with a disability may be placed in a special education program that is not established or maintained by the school corporation.

(b) Notwithstanding subsection (a), a school corporation may establish special educational facilities for children with disabilities who are:

(1) at least nineteen (19) years of age; or

(2) less than six (6) years of age.

Sec. 9. (a) The budget agency and the division shall develop a funding mechanism to provide preschool special education. Each school corporation shall provide each preschool child with a disability with an appropriate special education. However, this subsection is applicable only if the general assembly appropriates state funds for preschool special education.

(b) A school corporation may act:

(1) individually;

(2) in a joint school services program with other school corporations as described in section 1 of this chapter; or

(3) upon approval by the division, through contractual agreements entered into between a school corporation and a qualified public or private agency that serves preschool children with disabilities.

(c) The state board shall adopt rules under IC 4-22-2 governing the following:

(1) The extent to which a school corporation may contract with another service provider as permitted under subsection (b).

(2) The nature of the contracts.

(3) The approval procedure required of the school corporation under subsection (b).

(4) Other pertinent matters concerning these agreements.

Sec. 10. (a) For purposes of this section, "comprehensive plan" means a plan for educating the following:

(1) All children with disabilities that a school corporation is required to educate under sections 8 through 9 of this chapter.

(2) The additional children with disabilities that the school corporation elects to educate.

(b) For purposes of this section, "school corporation" includes

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the following:

(1) The Indiana School for the Blind board.

(2) The Indiana School for the Deaf board.

(c) The state board shall adopt rules under IC 4-22-2 detailing the contents of the comprehensive plan. Each school corporation shall complete and submit to the state superintendent a comprehensive plan. School corporations operating cooperative or joint special education services may submit a single comprehensive plan. In addition, if a school corporation enters into a contractual agreement as permitted under section 9 of this chapter, the school corporation shall collaborate with the service provider in formulating the comprehensive plan.

(d) Notwithstanding the age limits set out in IC 20-35-1-1, the state board may:

(1) conduct a program for the early identification of children with disabilities, between the ages of birth and less than twenty-two (22) years of age not served by the public schools or through a contractual agreement under section 9 of this chapter; and

(2) use agencies that serve children with disabilities other than the public schools.

(e) The state board shall adopt rules under IC 4-22-2 requiring the:

(1) department of correction;

(2) state department of health;

(3) division of disability, aging, and rehabilitative services;

(4) Indiana School for the Blind board;

(5) Indiana School for the Deaf board; and

(6) division of mental health and addiction;

to submit to the state superintendent a plan for the provision of special education for children in programs administered by each respective agency who are entitled to a special education.

(f) The state superintendent shall furnish professional consultant services to school corporations and the entities listed in subsection (e) to aid them in fulfilling the requirements of this section.

Sec. 11. (a) The governing bodies of one (1) or more school corporations establishing and maintaining educational facilities and services for students with disabilities, as described in this chapter, shall, in connection with establishing and maintaining the facilities and services, exercise similar powers and duties as are prescribed by law for the establishment, maintenance, and

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management of other recognized educational facilities and services.

(b) The governing bodies shall:

(1) include only eligible children in the program; and

(2) comply with all the requirements of:

(A) this chapter; and

(B) all rules established by the state superintendent and the state board.

(c) A school corporation may issue diplomas or certificates of graduation to pupils with disabilities completing special educational programs approved by the state superintendent and the state board.

Sec. 12. Public schools may operate special education programs for hearing impaired children at least six (6) months of age on an experimental basis upon the approval of the state superintendent and the state board.

Chapter 5. Special Education Cooperatives

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

(1) "Agreement" means an:

(A) identical resolution adopted by the governing body of each participating school corporation; or

(B) agreement approved by the governing body of each participating school corporation;

providing for a special education cooperative.

(2) "Assessed valuation" of a participating school corporation for a school year means the net assessed valuation of the school corporation for the immediately preceding March 1, adjusted in the same manner as any adjustment is made in determining the amount of state distribution for school support.

(3) "Board of managers" means the board or commission charged with the responsibility of administering the affairs of a special education cooperative.

(4) "Governing body" of a participating school corporation means the board or commission charged by law with the responsibility of administering the affairs of the school corporation. In the case of a school township, the term means the township trustee and township board.

(5) "Participating school corporation" means a local public school corporation that:

(A) is established under Indiana law; and

(B) cooperates with other corporations in a special

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education cooperative.

(6) "Percentage share" of a participating school corporation is the percent that its assessed valuation bears to the total assessed valuation of all the participating schools joining in an agreement.

(7) "Special education cooperative" means a department, school, or school corporation established, maintained, and supervised for the education of children with disabilities in accordance with this section.

Sec. 2. Two (2) or more participating school corporations may form a special education cooperative in accordance with the provisions of either sections 13 through 15 of this chapter or section 16 of this chapter, but subject to the limitations of this section and sections 3 through 8 of this chapter, by adopting an agreement that contains the following provisions:

(1) A plan for the organization, administration, and support for the special education cooperative, including the establishment of a board of managers.

(2) The commencement date of the establishment of the special education cooperative, which must be contemporaneous with the beginning of a school year.

(3) The extension of the special education cooperative for at least five (5) school years and a provision that the special education cooperative will extend from school year to school year after the five (5) year period unless the special education cooperative is terminated by action of the governing bodies of a majority of the participating school corporations that is taken at least one (1) year before termination of the agreement.

Sec. 3. During the term of an agreement adopted under section 2 of this chapter, the agreement may be modified by unanimous consent of all the participating school corporations.

Sec. 4. An agreement adopted under section 2 of this chapter may include the following:

(1) An agreement to acquire sites, buildings, and equipment for the sites and buildings by:

(A) purchase;

(B) lease from any of the participating school corporations for the term of the agreement; or

(C) lease under the provisions of IC 21-5-11 or IC 21-5-12.

(2) An agreement to repair, equip, and maintain school buildings and equipment.

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(3) An agreement that participating school corporations may use funds from their respective capital projects fund to pay for the costs under subdivision (1) or (2) or for any other purposes authorized under IC 21-2-15.

Sec. 5. The amount of money used from a participating school corporation's cumulative building fund or capital projects fund shall be determined by agreement among the participating school corporations.

Sec. 6. The cost of the special education cooperative for each school year shall be paid by the participating school corporations in accordance with the terms of their agreement. Agreements for the payment of the cost of the special education cooperative may:

(1) establish a formula for payments that meet the needs of the school corporations; or

(2) base payments on a percentage share formula.

Sec. 7. Upon the termination of the agreement, the participating school corporations shall be liable for their respective portions of any long term lease or other long term obligations in the same annual portions as are provided in the agreement as though the agreement had not been terminated, unless the terms under which the obligations were set up provide otherwise.

Sec. 8. A special education cooperative may employ teachers and issue teaching contracts in accordance with all the provisions for public teaching contracts. A teacher who has taught or is teaching in a participating school corporation who became or becomes a teacher in the special education cooperative retains semipermanent, permanent, or nonpermanent status in the participating school corporation to the same extent as if the teacher had continued teaching in the participating school corporation, and the teacher's employment may be terminated solely by the board of managers of the special education cooperative.

Sec. 9. A teacher who:

(1) is employed by a special education cooperative; and

(2) previously taught in a participating school corporation;

retains all rights and privileges under IC 20-28-6, IC 20-28-7, IC 20-28-8, IC 20-28-9, and IC 20-28-10 to the same extent as if the teacher had continued teaching in the participating school corporation.

Sec. 10. A teacher who:

(1) is employed by a special education cooperative; and

(2) does not have existing years of service in any of the participating school corporations;

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shall be considered to be employed by the special education cooperative and is entitled to the same rights and privileges under IC 20-28-6, IC 20-28-7, IC 20-28-8, IC 20-28-9, and IC 20-28-10 as if the teacher were employed by a school corporation.

Sec. 11. If a teacher loses the teacher's job in a special education cooperative due to:

(1) a reduction in services of;

(2) a reorganization of;

(3) the discontinuance of; or

(4) a withdrawal in whole or in part of a participating school corporation from;

the special education cooperative, the teacher shall be added to the recall list of laid off teachers that is maintained by the participating school corporations, and the teacher shall be employed under the terms of the recall provisions of the participating school corporations for a special education job opening that occurs in any of the participating school corporations. In addition and during the time the former special education cooperative teacher is entitled to remain on the recall list, all teachers in the participating school corporation other than the former special education cooperative teacher retain all rights and privileges for job openings for which the other teachers are qualified and as granted by the collective bargaining agreement in effect at the participating school corporation or, if no provisions of a collective bargaining agreement govern the rights and privileges, by the policy of the governing body, including provisions governing layoffs and recall.

Sec. 12. If:

(1) a teacher loses the teacher's job in a special education cooperative due to:

(A) a reduction in services of;

(B) a reorganization of;

(C) the discontinuance of; or

(D) a withdrawal in whole or in part of a participating school corporation from;

the special education cooperative; and

(2) the teacher is employed by a participating school corporation as described in section 11 of this chapter;

the teacher retains the rights and privileges under IC 20-28-6, IC 20-28-7, IC 20-28-8, IC 20-28-9, and IC 20-28-10 that the teacher held at the time the teacher lost the job in the special education cooperative as described in subdivision (1).

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Sec. 13. A special education cooperative may:

(1) be attached to a participating school corporation that has responsibility for administrative and financial controls; or

(2) establish a separate treasury with separate accounts.

If a special education cooperative is not attached to a participating school corporation, it must comply with the state board of accounts' approved forms and rules for fiscal accountability and is subject to audit by the state board of accounts.

Sec. 14. A special education cooperative may be operated and managed and its budget determined by a board of managers. The board of managers consists of one (1) designated member from each participating school corporation. The designated member from a participating school corporation must be:

(1) the president (or trustee in the case of a school township) of the governing body of a participating school corporation;

(2) any member of the governing body whom the president or trustee designates;

(3) the superintendent of a participating school corporation appointed by the president (or trustee in the case of a school township) of the governing body of the participating school corporation; or

(4) an assistant superintendent of a participating school corporation appointed by the president (or trustee in the case of a school township) of the governing body of the participating school corporation.

The president or trustee may change the designated member at any time.

Sec. 15. Meetings of the board of managers shall be held in accordance with IC 20-26-4-2.

Sec. 16. The special education cooperative may be organized in accordance with IC 20-26-10 or IC 36-1-7.

Sec. 17. (a) A teacher who:

(1) has not retained a status as a semipermanent, permanent, or nonpermanent teacher with a participating school corporation; and

(2) loses the teacher's job in a special education cooperative because of a reduction in services or discontinuance of the cooperative;

shall be considered for any job opening for which the teacher is qualified that occurs in any of the participating school corporations in the school year immediately following the reduction in services or discontinuance of the cooperative.

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(b) A teacher employed under this section has the same rights and privileges as teachers employed under IC 20-26-10-5 and IC 20-26-10-6.

Chapter 6. General Provisions

Sec. 1. Before February 1 of each calendar year, a program for preschool children with disabilities that is supported by the division of family and children shall notify a school corporation of the numbers and disabling conditions of the children who are likely to enter into a program of special education in the school corporation in the immediately following school year.

Sec. 2. (a) The state superintendent may contract with in-state or out-of-state public and private schools, state agencies, or child caring institutions (as defined in IC 12-7-2-29(1)) to pay, with any funds appropriated for this purpose, the excess costs of educating children of school age:

(1) who have been identified as eligible for special education services; and

(2) whose disability is of such intensity as to preclude achievement in the existing local public school setting.

The state shall pay the costs of the services that exceed the regular cost of educating children of the same age and grade level in the child's school corporation. The school corporation shall pay the share of the total tuition cost that is the regular per capita cost of general education in that school corporation.

(b) School corporations shall pay their share of the total tuition costs for children with disabilities served under this section.

(c) The state board shall adopt rules under IC 4-22-2 necessary to implement this section.

Chapter 7. Individualized Education Program; Case Conferences for Students With Disabilities; Transitional Services

Sec. 1. As used in this chapter, "annual case review" means the meeting of the case conference committee that is conducted annually to review and, if needed, revise a student's individualized education program.

Sec. 2. As used in this chapter, "case conference committee" means a group composed of public agency personnel, parents, the student, if appropriate, and others at the discretion of the public agency or the parent and under rules adopted by the state board that meets to do any of the following:

(1) Determine a student's eligibility for special education and related services.

(2) Develop, review, or revise a student's individualized

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education program.

(3) Determine an appropriate educational placement for each student.

Sec. 3. (a) As used in this chapter, "transition services" means a coordinated set of activities for a student with a disability that:

(1) is designed within an outcome oriented process; and

(2) promotes movement from the public agency to postsecondary school activities, including the following:

(A) Postsecondary education.

(B) Vocational training.

(C) Integrated employment (including supported employment).

(D) Continuing and adult education.

(E) Adult services.

(F) Independent living.

(G) Community participation.

(b) The coordinated set of activities described in subsection (a) must:

(1) be based on the individual student's needs, taking into account the student's preferences and interests; and

(2) include the following:

(A) Instruction.

(B) Related services.

(C) Community experiences.

(D) The development of employment and other postsecondary school adult living objectives.

(E) Where appropriate, acquisition of daily living skills and a functional vocational evaluation.

Sec. 4. As used in this chapter, "public agency" means a public or private entity that has direct or delegated authority to provide special education and related services, including the following:

(1) Public school corporations that operate programs individually or cooperatively with other school corporations.

(2) Community agencies operated or supported by the office of the secretary of family and social services.

(3) State developmental centers operated by the division of disability, aging, and rehabilitative services.

(4) State hospitals operated by the division of mental health and addiction.

(5) State schools and programs operated by the state department of health.

(6) Programs operated by the department of correction.

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(7) Private schools and facilities that serve students referred or placed by a school corporation, the division of special education, the division of family and children, or other public entity.

Sec. 5. (a) As used in this chapter, "adult services" refers to services that are provided by public agencies and other organizations to:

(1) facilitate student movement from the public agency to adult life; and

(2) provide services to enhance adult life.

(b) The term includes services provided by the following:

(1) A vocational rehabilitation services program.

(2) The department of workforce development.

(3) The federal Social Security Administration.

(4) The bureau of developmental disabilities services.

(5) A community mental health center.

(6) A community rehabilitation program.

(7) An area agency on aging.

Sec. 6. As used in this chapter, "special education planning district" means the public school administrative unit responsible for providing special education and related services in a specified geographic area. The term includes the following:

(1) A school corporation.

(2) More than one (1) school corporation that operates under a written agreement.

Sec. 7. As used in this chapter, "student with disabilities" means a student identified, evaluated, and enrolled in special education under this article.

Sec. 8. (a) The division of disability, aging, and rehabilitative services, the division of mental health and addiction, and the department of workforce development shall provide each school corporation with written material describing the following:

(1) The adult services available to students.

(2) The procedures to be used to access those services.

(b) The material shall be provided in sufficient numbers to allow each student and, if the student's parent is involved, each student's parent to receive a copy at the annual case review if the purpose of the meeting is to discuss transition services.

Sec. 9. The case conference committee shall do the following:

(1) Review, based on areas addressed in the statement of transition services, the available adult services provided through state and local agencies.

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(2) Present information on those services in writing to the student and the parent.

Sec. 10. (a) Upon obtaining authorization to disclose confidential information, the public agency and the vocational rehabilitation counselor shall confer at least one (1) time each year to review transition age students.

(b) If the public agency and the vocational rehabilitation counselor believe a student may be eligible for and benefit from vocational rehabilitation services, the public agency shall do the following:

(1) Provide adequate notice to the vocational rehabilitation counselor regarding the annual case review to be conducted during the school year before the student's projected final year of school. The notification to the vocational rehabilitation counselor must include the name, address, age, and reported disability of the student for whom the annual case review is being conducted.

(2) At the annual case review, verbally advise and provide written materials to the student and the parent that describe the following:

(A) The array of vocational rehabilitation services that may be available.

(B) The process to access those services.

(c) The vocational rehabilitation counselor shall do the following:

(1) Attempt to attend the annual case review for which the counselor has been notified under subsection (b)(1).

(2) Determine with the student and parent when an application for vocational rehabilitation services will be completed and eligibility determined. However, the application must be completed not later than the beginning of the last semester of the student's last year of receiving services by the public agency.

(3) If the student has been determined eligible for vocational rehabilitation services, complete the individual plan for employment (IPE) before the student's exit from the public agency.

(4) Provide written information and be available on a consultative basis to public agency personnel, students, and parents to assist in identifying appropriate transition services.

(5) Perform the duties of advocate and consultant to the student and, where appropriate, to the student's parent.

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(6) Promote communication with the student and parent by attending appropriate student activities, including, upon invitation, the following:

(A) Case conferences.

(B) Career days.

(C) Parent and student forums.

(D) Other consultative services on behalf of the student.

Sec. 11. (a) The division shall monitor public agency compliance with the requirements of this chapter as part of the division's ongoing program monitoring responsibilities.

(b) The division of disability, aging, and rehabilitative services shall monitor compliance with this chapter by vocational rehabilitation services programs.

(c) The division and the division of disability, aging, and rehabilitative services shall confer, at least annually, to do the following:

(1) Review compliance with the requirements of this chapter.

(2) Ensure that students with disabilities are receiving appropriate and timely access to services.

Chapter 8. Transfer and Transportation of Students With Disabilities

Sec. 1. (a) Except as provided in subsection (b), if a student with legal settlement in a school corporation is transferred to attend school in another school corporation because of a disability or multiple disabilities, the transferor corporation shall:

(1) either:

(A) provide; or

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

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

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

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

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

(2) another cooperative program;

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

Sec. 2. (a) The state board shall adopt rules under IC 4-22-2 to

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establish limits on the amount of transportation that may be provided in the student's individualized education program. Unless otherwise specially shown to be essential by the child's individualized education program, in case of residency in a public or private facility, these rules must limit the transportation required by the student's individualized education program to the following:

(1) The student's first entrance and final departure each school year.

(2) Round trip transportation each school holiday period.

(3) Two (2) additional round trips each school year.

(b) If a student is a transfer student receiving special education in a public school, the state or school corporation responsible for the payment of transfer tuition under IC 20-33-6-1 through IC 20-33-6-4 shall pay the cost of transportation required by the student's individualized education program. However, if a transfer student was counted as an eligible student for purposes of a distribution in a calendar year under IC 21-3-3.1, the transportation costs that the transferee school may charge for a school year ending in the calendar year shall be reduced by the sum of the following:

(1) The quotient of:

(A) the amount of money that the transferee school is eligible to receive under IC 21-3-3.1-2.1 for the calendar year in which the school year ends; divided by

(B) the number of eligible students for the transferee school for the calendar year (as determined under IC 21-3-3.1-2.1).

(2) The amount of money that the transferee school is eligible to receive under IC 21-3-3.1-4 for the calendar year in which the school year ends for the transportation of the transfer student during the school year.

(c) If a student receives a special education:

(1) in a facility operated by:

(A) the state department of health;

(B) the division of disability, aging, and rehabilitative services; or

(C) the division of mental health and addiction;

(2) at the Indiana School for the Blind; or

(3) at the Indiana School for the Deaf;

the school corporation in which the student has legal settlement shall pay the cost of transportation required by the student's

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individualized education program. However, if the student's legal settlement cannot be ascertained, the state board shall pay the cost of transportation required by the student's individualized education program.

(d) If a student is placed in a private facility under IC 20-35-6-2 in order to receive a special education because the student's school corporation cannot provide an appropriate special education program, the school corporation in which the student has legal settlement shall pay the cost of transportation required by the student's individualized education program. However, if the student's legal settlement cannot be ascertained, the state board shall pay the cost of transportation required by the student's individualized education program.

Chapter 9. Reading and Writing Instruction for Blind Students

Sec. 1. As used in this chapter, "blind student" has the meaning established under rules adopted under IC 4-22-2 by the state board for an individual:

(1) who:

(A) cannot successfully use vision as a primary and efficient method for learning; and

(B) exhibits such a low degree or amount of visual acuity or visual field that vision is not considered as a primary mode of learning; or

(2) who has a medically indicated prognosis of visual deterioration.

Sec. 2. As used in this chapter, "braille" means a tactually perceived system of reading and writing known as Standard English braille.

Sec. 3. As used in this chapter, "case conference committee" means the group of individuals described in IC 20-18-2-9 who develop the individualized education program for each child with a disability (as defined in IC 20-35-1-2).

Sec. 4. As used in this chapter, "individualized education program" has the meaning set forth in IC 20-18-2-9.

Sec. 5. (a) In developing the individualized education program for a blind student, the presumption is that, with some exceptions, proficiency in braille reading and writing is essential for blind students to achieve satisfactory educational progress.

(b) This chapter does not require braille use or instruction if, in the course of developing a blind student's individualized education program, the student's case conference committee determines that another medium:

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(1) is more appropriate and efficient in meeting the student's reading and writing needs; and

(2) allows the student to achieve in instructional activities commensurate with the student's potential.

(c) This chapter does not require the exclusive use of braille and the availability of other media may not preclude braille instruction if, in the determination of a blind student's case conference committee, braille is necessary for the student to achieve to the student's potential.

Sec. 6. (a) Each blind student shall undergo a literacy assessment under rules adopted under IC 4-22-2 by the state board to determine the student's present level of performance in reading and writing.

(b) The literacy assessment required by subsection (a) shall be administered by a certified teacher of the visually handicapped using criteria established by the state board.

Sec. 7. If it is determined that braille instruction and use is appropriate for a blind student, the student shall be provided instruction by certified teachers of the visually handicapped in the frequency and intensity specified in the student's individualized education program.

Sec. 8. As a part of the case conference committee deliberations for a blind student, the case conference committee shall make available to the student and the student's parents information regarding all the potential reading and writing media options, including the availability of braille.

Sec. 9. The state board shall adopt rules under IC 4-22-2 to implement this chapter.

Chapter 10. Inclusion School Pilot Program

Sec. 1. As used in this chapter, "child with disabilities" means a child (as defined in IC 20-35-1-2) whose individualized education program recommends that the child participate in an inclusion school program.

Sec. 2. As used in this chapter, "inclusion school" means a public school that:

(1) participates in the pilot program under this chapter as an inclusion school;

(2) as an inclusion school, educates each child with disabilities in the school located in the child's attendance area in the school corporation of the child's legal settlement; and

(3) integrates each child with a disability in regular education classes for as much of the student instructional day as possible

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to normalize the child's academic learning and social experience.

Sec. 3. As used in this chapter, "regular education" means classroom instruction:

(1) in which children without disabilities are routinely placed; and

(2) that is not characterized as special education under this article.

Sec. 4. The inclusion school pilot program is established to provide financial assistance through competitive grants awarded by the department under section 5 of this chapter to school corporations to do the following:

(1) Develop supportive regular education school and classroom communities that nurture, support, and enhance the educational and social needs of each child enrolled in the inclusion school.

(2) Integrate children with disabilities into the inclusion schools located in the child's attendance area in the school corporation of the child's legal settlement.

(3) Provide children with disabilities the opportunity to become an integral part of the total school experience while focusing on meeting the needs of all classes of children and without a reduction in the quality of the content of the educational program being provided to children with disabilities.

(4) Foster cooperation and integration among regular education teachers and special education teachers.

Sec. 5. (a) The money annually available to the department to award the grants under this chapter is derived from the unexpended money at the end of a state fiscal year that was originally appropriated to the department for the program for preschool children with disabilities under IC 20-35-4-9, not to exceed two hundred thousand dollars ($200,000).

(b) On July 1 of each year, the budget agency shall make available to the department the appropriate amount of money for use under this chapter as designated under subsection (a).

Sec. 6. (a) The department may award competitive grants to not more than ten (10) school corporations each year to conduct inclusion school programs.

(b) The grants under this chapter must be used by a recipient school corporation to provide planning, collaboration, and staff training and development necessary for the implementation of the

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school corporation's inclusion school pilot program.

Sec. 7. (a) To be eligible to receive a grant under this chapter, a school corporation must apply to the department, on forms prepared by the department, for the grant.

(b) The school corporation must include the following in the school corporation's application:

(1) A detailed description of the nature of the school corporation's inclusion school pilot program.

(2) Any other information required by the department.

Sec. 8. The department shall award grants to a recipient school corporation based on the following criteria:

(1) The school corporation's experience in delivering innovative instruction to children with disabilities.

(2) The completion of the appropriate application.

(3) The degree to which the:

(A) school corporation;

(B) each school in which the inclusion school pilot program will be implemented;

(C) school staff (including the support of the exclusive representative); and

(D) school community;

exhibit commitment to the inclusion school pilot program.

(4) Any other criteria established by the department.

Sec. 9. Each recipient school corporation must submit to the department:

(1) an annual report; and

(2) any interim reports that the department requires;

concerning the school corporation's inclusion school pilot program.

Sec. 10. The department shall develop guidelines to implement this chapter.

SECTION 20. IC 20-36 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

ARTICLE 36. HIGH ABILITY STUDENTS

Chapter 1. Definitions

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

Sec. 2. "Domain" includes the following areas of aptitude and talent:

(1) General intellectual.

(2) General creative.

(3) Specific academic.

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(4) Technical and practical arts.

(5) Visual and performing arts.

(6) Interpersonal.

Sec. 3. "High ability student" means a student who:

(1) performs at or shows the potential for performing at an outstanding level of accomplishment in at least one (1) domain when compared with other students of the same age, experience, or environment; and

(2) is characterized by exceptional gifts, talents, motivation, or interests.

Chapter 2. Programs for High Ability Students

Sec. 1. (a) The department shall establish a state resources program using existing state resources that:

(1) supports school corporations in the development of local programs for high ability students;

(2) enables educational opportunities that encourage high ability students to reach the highest possible level at every stage of the students' development; and

(3) provides state integrated services that include the following:

(A) Information and materials resource centers.

(B) Professional development plan and programs.

(C) Research and development services.

(D) Technical assistance that includes the following:

(i) Student assessment.

(ii) Program assessment.

(iii) Program development and implementation.

(E) Support for educators pursuing professional development leading to endorsement or licensure in gifted and talented education.

(b) In addition to the program established under subsection (a), the department shall use appropriations to provide grants to school corporations for programs for high ability students if the school corporation's plan under section 2 of this chapter meets the following criteria:

(1) The plan provides for multiple means of identifying high ability students, including procedures for students who may not be identified through traditional means because of economic disadvantage, cultural background, underachievement, or disabilities.

(2) The plan sets forth appropriate education experiences in core curriculum areas for high ability students in

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kindergarten through grade 12.

(3) The plan aligns with the strategic and continuous school improvement and achievement plans under IC 20-31-5-4 for the schools within the school corporation.

Sec. 2. A governing body may do the following:

(1) Develop and periodically update a local plan to provide appropriate educational experiences to high ability students in the school corporation in kindergarten through grade 12. The plan must include the following components:

(A) The establishment of a broad based planning committee that meets periodically to review the local education authority's plan for high ability students. The committee must have representatives from diverse groups representing the school and community.

(B) Student assessment.

(C) Professional development.

(D) Development and implementation of a local program for high ability students.

(E) Evaluation of the local program for high ability students.

(2) Provide a local program for high ability students in accordance with the plan that the governing body develops under subdivision (1) for the high ability students in the school corporation in kindergarten through grade 12.

Chapter 3. Advanced Placement Courses

Sec. 1. As used in this chapter, "advanced course" refers to an advanced placement course for a particular subject area as authorized under this chapter.

Sec. 2. As used in this chapter, "advanced placement examination" refers to the advanced placement examination sponsored by the College Board of the Advanced Placement Program.

Sec. 3. As used in this chapter, "program" refers to the advanced placement program established by section 4 of this chapter.

Sec. 4. (a) The advanced placement program is established to encourage students to pursue advanced courses, particularly in math and science. The program shall be administered by the department.

(b) Unexpended money appropriated to the department to implement the program at the end of a state fiscal year does not revert to the state general fund.

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Sec. 5. (a) Each school year:

(1) each school corporation may provide the College Board's science and math advanced placement courses; and

(2) each school corporation may provide additional College Board advanced placement courses;

in secondary schools for students who qualify to take the advanced placement courses.

(b) Each school corporation shall provide the College Board's science and math advanced placement courses in secondary schools for students who qualify to take the advanced placement courses.

(c) In addition to the College Board's math and science advanced placement tests, the state board may approve advanced placement courses offered by a state educational institution (as defined in IC 20-12-0.5-1) in collaboration with a school corporation if the state educational institution and the collaborating school corporation demonstrate to the state board that the particular advanced placement course satisfies the objectives of this chapter.

Sec. 6. (a) Each student who enrolls in an advanced course may take the advanced placement examination to receive high school credit for the advanced course.

(b) Any rule adopted by the department concerning an academic honors diploma must provide that a successfully completed mathematics or science advanced course is credited toward fulfilling the requirements of an academic honors diploma.

(c) If a student who takes an advanced placement examination receives a satisfactory score on the examination, the student is entitled to receive a certificate of achievement for the subject area included in the advanced placement examination.

Sec. 7. Teachers who are assigned to teach an advanced course may participate in summer training institutes offered by the College Board.

Sec. 8. (a) Money appropriated to the department to implement the program shall be distributed for purposes listed in the following order:

(1) To pay the fees for each math or science advanced placement examination that is taken by a student who is:

(A) enrolled in a public secondary school; and

(B) a resident of Indiana.

Priority shall be given to paying the fees for each math or science advanced placement examination that is taken by a student in grade 11 or 12.

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(2) To pay stipends for teachers assigned to teach a math or science advanced course to attend the institutes under section 7 of this chapter.

(3) To pay school corporations for instructional materials needed for the math or science advanced course.

(4) To pay for or rent equipment that a school corporation may need to develop a math or science advanced course.

(5) To pay the fees for the costs incurred in implementing the advanced placement program for the subjects other than math and science as authorized under section 5 of this chapter.

(b) The department shall establish guidelines concerning the distribution of funds under this chapter, including guidelines to ensure that money distributed under this chapter is distributed as evenly as possible throughout Indiana. In establishing these distribution guidelines, the department shall consider the following factors:

(1) The number of students and teachers participating in the program.

(2) Even geographic representation.

(3) Financial need of students participating in the program.

(4) Any other factor affecting the distribution of money under this chapter.

Sec. 9. The department shall develop and provide each public secondary school with curriculum guidelines designed to satisfy the requirements of this chapter.

Sec. 10. The department shall prepare an annual report concerning the implementation of the program and shall submit the report to the board before December 1 of each year. The report must include the pertinent details of the program, including the following:

(1) The number of students participating in the program.

(2) The number of teachers attending a summer institute offered by the College Board.

(3) Recent trends in the field of advanced placement.

(4) The distribution of money under this program.

(5) Other pertinent matters.

Sec. 11. Each state educational institution (as defined in IC 20-12-0.5-1) shall work with the department in the development of a policy of granting academic credit and advanced placement to students who:

(1) attend the state educational institution; and

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(2) receive a satisfactory score as determined by the state educational institution on the advanced placement examination.

Sec. 12. The state board shall adopt rules under IC 4-22-2 to implement this chapter.

Chapter 4. Governor's Scholars Academy

Sec. 1. As used in this chapter, "academy" refers to the governor's scholars academy established by section 3 of this chapter.

Sec. 2. As used in this chapter, "advisory board" refers to the advisory board for the governor's scholars academy established by section 5 of this chapter.

Sec. 3. The governor's scholars academy is established to administer and operate a public, residential, coeducational school to be held in the summer for high school students in Indiana who are high ability students as described in IC 20-36-1.

Sec. 4. (a) The department shall operate the academy under guidelines that are established by the advisory board and in consideration of the recommendations that are made by the advisory board under section 6 of this chapter.

(b) The department shall:

(1) employ personnel necessary to operate the academy;

(2) select the students who will attend the academy;

(3) hire the faculty for the academy;

(4) enter into contracts with institutions of higher education or other similar entities for establishing the location or locations of the academy;

(5) determine the courses that are to be offered at each academy site; and

(6) take any other action necessary to operate the academy under this chapter.

Sec. 5. (a) An advisory board for the academy is established.

(b) Fifteen (15) members shall be appointed to the advisory board as follows:

(1) The state superintendent as an ex officio member.

(2) The chairman of the curriculum committee of the state board as an ex officio member.

(3) The commissioner of the commission on higher education as an ex officio member.

(4) Seven (7) members appointed by the state superintendent as follows:

(A) Two (2) members who are classroom teachers.

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(B) Two (2) members who are public school administrators.

(C) One (1) member who represents the parents of public school students.

(D) Two (2) members who are former students of the academy.

(5) Five (5) members appointed by the governor as follows:

(A) Two (2) representatives from public institutions of higher education in Indiana.

(B) One (1) representative from a private institution of higher education in Indiana.

(C) Two (2) individuals representing business and industry.

(c) At the expiration of the terms of the initial appointees, their successors shall be appointed to four (4) year terms beginning on July 1 in the year of their appointments. A member may be reappointed to the advisory board.

(d) A vacancy in any appointive term under this section shall be filled for the unexpired part of the term by appointment of the officer who appointed the person creating the vacancy.

(e) On July 1 of each year, the state superintendent shall designate a member to serve as chairperson. The advisory board shall elect other officers annually to serve terms from July 1 through June 30.

(f) An advisory board member is not entitled to the minimum salary per diem as provided in IC 4-10-11-2.1(b) while performing the member's duties. A member is entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

(g) The chairperson shall call the meetings of the advisory board.

(h) A majority of the advisory board constitutes a quorum for the purpose of doing business.

Sec. 6. (a) The advisory board shall establish the following guidelines:

(1) The criteria for admission to the academy.

(2) The maximum number and grade levels of students to be admitted to the academy.

(3) Rules for selecting students based upon county student populations with the goal of gathering a diverse student body

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representing as many high schools in the state as possible.

(4) Criteria and procedures for evaluating the academy.

(b) The advisory board may make recommendations to the department of education concerning the following:

(1) The curriculum to be offered at the academy.

(2) The location or locations for the operation of the academy.

(3) The length of time during the summer that the academy is to be operational.

(4) Any other matter that the advisory board determines to be pertinent to the operation of the academy.

Sec. 7. The academy shall provide free tuition, room, and board to students accepted to attend the academy.

SECTION 21. IC 20-37 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

ARTICLE 37. VOCATIONAL AND WORKFORCE EDUCATION

Chapter 1. Cooperative Vocational Education Departments

Sec. 1. (a) Two (2) or more school corporations may cooperate to:

(1) establish; and

(2) maintain or supervise;

schools or departments for vocational education if the governing bodies of the school corporations agree to cooperate and apportion the cost of the schools or departments among the school corporations.

(b) If the cooperating school corporations agree to:

(1) establish; and

(2) maintain or supervise;

the schools or departments under subsection (a), the heads of the school corporations or their delegated representatives constitute a board for the management of the schools or departments. The board may adopt a plan of organization, administration, and support for the schools or departments. The plan, if approved by the state board, is a binding contract between the cooperating school corporations.

(c) The governing bodies of the cooperating school corporations may cancel or annul the plan described in subsection (b) by the vote of a majority of the governing bodies and upon the approval of the state board. However, if a school corporation desires to withdraw a course offering from the cooperative agreement after:

(1) attempting to withdraw the course offering under a

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withdrawal procedure authorized by the school corporation's cooperative agreement or bylaw; and

(2) being denied the authority to withdraw the course offering;

the school corporation may appeal the denial to the state board. In the appeal, a school corporation must submit a proposal requesting the withdrawal to the state board for approval.

(d) The proposal under subsection (c) must do the following:

(1) Describe how the school corporation intends to implement the particular vocational education course.

(2) Include a provision that provides for at least a two (2) year phaseout of the educational program or course offering from the cooperative agreement.

Upon approval of the proposal by the state board, the school corporation may proceed with the school corporation's withdrawal of the course offering from the cooperative agreement and shall proceed under the proposal.

(e) The withdrawal procedure under subsections (c) and (d) may not be construed to permit a school corporation to change any other terms of the plan described in subsection (b) except those terms that require the school corporation to provide the particular course offering sought to be withdrawn.

(f) The board described in subsection (b) may do the following:

(1) Enter into an agreement to acquire by lease or purchase:

(A) sites;

(B) buildings; or

(C) equipment;

that is suitable for these schools or departments. This authority extends to the acquisition of facilities available under IC 21-5-11.

(2) By resolution adopted by a majority of the board, designate three (3) or more individuals from the board's membership to constitute an executive committee.

(g) To the extent provided in a resolution adopted under subsection (f)(2), an executive committee shall do the following:

(1) Exercise the authority of the full board in the management of the schools or departments.

(2) Submit a written summary of its actions to the full board at least semiannually.

Chapter 2. Vocational Schools or Departments

Sec. 1. (a) A governing body may establish and conduct a system of industrial or manual training and education to teach:

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(1) the major uses of tools and mechanical implements;
(2) the elementary principles of mechanical construction;
(3) mechanical drawing; and
(4) printing.

(b) If a system is established, the governing body shall employ competent instructors in the various subjects and shall establish rules and regulations on student admissions designed to produce the best results and to give instruction to the largest practicable number. A governing body may provide this instruction in school buildings or in separate buildings. Each governing body may:

(1) require students enrolling in this system to pay a reasonable tuition fee; and
(2) differentiate between students living in the attendance unit and those living outside the attendance unit in the amount of tuition charged.

However, tuition charges by a school corporation operating under IC 20-25-3 and IC 20-25-4 are also regulated by IC 20-25-4-17.

Sec. 2. (a) A governing body may:

(1) establish vocational schools or departments in the manner approved by the state board; and
(2) maintain these schools or departments from the general fund.

(b) The governing body may include in the high school curriculum without additional state board approval any secondary level vocational education course that is:

(1) included on the list of approved courses that the state board establishes under IC 20-20-20-3; and
(2) approved under section 11 of this chapter, if applicable.

(c) The governing body shall notify the department and the department of workforce development whenever the governing body:

(1) includes an approved course for; or
(2) removes an approved course from;

the high school curriculum.

Sec. 3. (a) The governing body of a school corporation may contract with a nonprofit corporation to establish and maintain a vocational program in the building trades solely to teach the principles of building construction to students enrolled in grades 9 through 12.

(b) A vocational program established under this section is limited to the construction of buildings upon real property owned by the nonprofit corporation.

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Sec. 4. (a) Vocational schools or departments for industrial, agricultural, or home economics education may offer instruction in:

(1) day;

(2) part-time; and

(3) evening;

classes so that instruction in the principles and practice of the arts can occur together. The instruction must be less than college grade, and the instruction must be designed to meet the vocational needs of a person who can profit by the instruction.

(b) Evening classes in:

(1) an industrial;

(2) an agricultural; or

(3) a home economics;

school or department must offer training for a person employed during the working day. This training, in order to be considered vocational, must deal with and relate to the subject matter of the day employment. However, evening classes in home economics must be open to all individuals.

(c) Part-time classes in an industrial, agricultural, or home economics school or department are for persons giving a part of each working day, week, or longer period to a part-time class when it is in session. This part-time instruction must be:

(1) complementary to the particular work conducted in the employment;

(2) in subjects offered to enlarge civic or vocational intelligence; or

(3) in trade preparation subjects.

Sec. 5. Attendance in:

(1) day and part-time classes is restricted to persons who are at least fourteen (14) years of age; and

(2) evening classes is restricted to persons who are at least sixteen (16) years of age.

Sec. 6. If a governing body has established an approved vocational school or department for instruction in part-time classes for regularly employed persons who are at least fourteen (14) years of age, the governing body may formally choose to require regularly employed persons who are less than nineteen (19) years of age to attend part-time classes:

(1) between the hours of 8 a.m. and 5 p.m. during the school term; and

(2) for not less than four (4) hours and not more than eight (8)

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hours per week.

Sec. 7. (a) A school corporation, through the school corporation's appropriate officials, may enter into cooperative programs with employers. These programs must include an agreement by the employer to provide employment for students enrolled in school directed vocational education to learn the manipulative skills or manual processes of an occupation.

(b) The employer may employ the students in otherwise restricted occupations for the purpose of vocational education training under the following conditions:

(1) That training in the occupation is approved by a proper school authority and is school supervised.

(2) That safety instructions are given by the school and integrated with on-the-job training by the employer.

(3) That the student is assigned to competent adults designated by the employer for instruction and supervision in the manipulative skills or manual processes of the occupation according to a written training schedule developed by the employer and a representative of the school.

Sec. 8. (a) A student in vocational education and employed under section 7 of this chapter:

(1) is entitled to the rights of recovery of a worker of at least seventeen (17) years of age under the worker's compensation and occupational diseases laws (IC 22-3-2 through IC 22-3-7); and

(2) may not recover any additional benefit otherwise payable as a result of being less than seventeen (17) years of age under the definition of a minor in IC 22-3-6-1.

The student is considered the employee of the employer while performing services for the employer under section 7 of this chapter.

(b) A student performing services for an employer under section 7 of this chapter is considered a full-time employee in computing compensation for permanent impairment under the worker's compensation law (IC 22-3-2 through IC 22-3-6).

(c) Employers and students under section 7 of this chapter are exempt from IC 20-33-3-35.

Sec. 9. (a) A vocational youth organization fund is established to assist in carrying out the purposes of this chapter. The fund shall be administered by the state superintendent.

(b) The state superintendent may award grants from the vocational youth organization fund for combined vocational

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activities of the organizations that are an integral part of the instructional program in vocational education. Areas of vocational instruction for which grants may be awarded include:

(1) agriculture;

(2) business and office occupations;

(3) health occupations;

(4) distributive education;

(5) home economics; and

(6) trade industrial education.

(c) There is appropriated from the state general fund to the state superintendent a sum to be determined annually by the general assembly to implement this section.

Sec. 10. (a) Each governing body administering approved vocational schools or departments for industrial, agricultural, or home economics education shall appoint an advisory committee composed of members representing local trades, industries, and occupations.

(b) The advisory committee shall advise the governing body and other school officials having the management and supervision of the schools or departments described in subsection (a).

Sec. 11. (a) As used in this section, "vocational education course" means a vocational education course that is:

(1) an approved high school course under the rules of the state board; and

(2) included on the list of approved courses that the state board develops and approves under IC 20-20-20-3.

(b) A school corporation that has entered into an agreement for a joint program of vocational education with one (1) or more other school corporations may not add a new vocational education course to its curriculum unless the course has been approved in the following manner:

(1) In the case of an agreement under IC 20-37-1, the course must be approved by the management board for the joint program.

(2) In the case of an agreement under IC 20-26-10, the course must be approved by the governing body of the school corporation that is designated to administer the joint program under IC 20-26-10-3. However, if that governing body refuses to approve the course, the course may be approved by a majority of the governing bodies of the school corporations that are parties to the agreement.

SECTION 22. IC 20-38 IS ADDED TO THE INDIANA CODE AS

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A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

ARTICLE 38. EDUCATIONAL COMPACTS

Chapter 1. Interstate Agreement of Qualifications of Educational Personnel

Sec. 1. The following interstate agreement on qualification of educational personnel is enacted into law and entered into by this state with all other states legally joining the interstate agreement in substantially the following form:

INTERSTATE AGREEMENT ON
QUALIFICATION OF EDUCATIONAL PERSONNEL

Article 1 – Purpose, Findings, and Policy

1. The states party to this agreement, desiring by common action to improve their respective school systems by utilizing the teacher or other professional educational person wherever educated, declare that it is the policy of each of them, on the basis of cooperation with one another, to take advantage of the preparation and experience of such persons wherever gained, thereby serving the best interests of society, of education, and of the teaching profession. It is the purpose of this agreement to provide for the development and execution of such programs of cooperation as will facilitate the movement of teachers and other professional educational personnel among the states party to it, and to authorize specific interstate educational personnel contracts to achieve that end.

2. The party states find that included in the large movement of population among all sections of the nation are many qualified educational personnel who move for family and other personal reasons but who are hindered in using their professional skill and experience in their new locations. Variations from state to state in requirements for qualifying educational personnel discourage such personnel from taking the steps necessary to qualify in other states. As a consequence, a significant number of professionally prepared and experienced educators is lost to our school systems. Facilitating the employment of qualified educational personnel, without reference to their states of origin, can increase the available educational resources. Participation in this compact can increase the availability of educational manpower. All contracts shall be subject to approval of the Indiana state board of education.

Article 2 – Definitions

As used in this agreement and contracts made pursuant to it, unless the context clearly requires otherwise:

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1. "Educational personnel" means persons who must meet requirements pursuant to state law as a condition of employment in educational programs.

2. "Designated state official" means the education official of a state selected by that state to negotiate and enter into, on behalf of the individual's state, contracts pursuant to this agreement.

3. "Accept", or any variant thereof, means to recognize and give effect to one (1) or more determinations of another state relating to the qualifications of educational personnel in lieu of making or requiring a like determination that would otherwise be required by or pursuant to the laws of a receiving state.

4. "State" means a state, territory, or possession of the United States; the District of Columbia; or the Commonwealth of Puerto Rico.

5. "Originating state" means a state (and the subdivision thereof, if any) whose determination that certain educational personnel are qualified to be employed for specific duties in schools is acceptable in accordance with the terms of a contract made pursuant to Article 3.

6. "Receiving state" means a state (and the subdivisions thereof) which accept educational personnel in accordance with the terms of a contract made pursuant to Article 3.

Article 3 – Interstate Educational Personnel Contracts

1. The designated state official of a party state may make one (1) or more contracts on behalf of the official's state with one (1) or more other party states providing for the acceptance of educational personnel. Any such contract for the period of its duration shall be applicable to and binding on the states whose designated state officials enter into it, and the subdivisions of those states, with the same force and effect as if incorporated in this agreement. A designated state official may enter into a contract pursuant to this article only with states in which the official finds that there are programs of education, certification standards, or other acceptable qualifications that assure preparation or qualification of educational personnel on a basis sufficiently comparable, even though not identical to that prevailing in the official's own state.

2. Any such contract shall provide for:

(a) Its duration.

(b) The criteria to be applied by an originating state in qualifying educational personnel for acceptance by a receiving state.

(c) Such waivers, substitutions, and conditional acceptances as

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shall aid the practical effectuation of the contract without sacrifice of basic educational standards.

(d) Any other necessary matters.

3. No contract made pursuant to this agreement shall be for a term longer than five (5) years, but any such contract may be renewed for like or lesser periods.

4. Any contract dealing with acceptance of educational personnel on the basis of their having completed an educational program shall specify the earliest date or dates on which originating state approval of the program or programs involved can have occurred. No contract made pursuant to this agreement shall require acceptance by a receiving state of any persons qualified because of successful completion of a program before January 1, 1954.

5. The certification or other acceptance of a person who has been accepted pursuant to the terms of a contract shall not be revoked or otherwise impaired because the contract has expired or been terminated. However, any certificate or other qualifying document may be revoked or suspended on any ground which would be sufficient for revocation or suspension of a certificate or other qualifying document initially granted or approved in the receiving state.

6. A contract committee composed of the designated state officials of the contracting states or their representatives shall keep the contract under continuous review, study means of improving its administration, and report no less frequently than once a year to the heads of the appropriate education agencies of the contracting states.

Article 4 – Approved and Accepted Programs

1. Nothing in this agreement shall be construed to repeal or otherwise modify any law or regulation of a party state relating to the approval of programs of educational preparation having effect solely on the qualification of educational personnel within that state.

2. To the extent that contracts made pursuant to this agreement deal with the educational requirements for the proper qualification of educational personnel acceptance of a program of educational preparation shall be in accordance with such procedures and requirements as may be provided in the applicable contract.

Article 5 – Interstate Cooperation

The party states agree that:

1. They will, so far as practicable, prefer the making of

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multilateral contracts pursuant to Article 3 of this agreement.

2. They will facilitate and strengthen cooperation in interstate certification and other elements of educational personnel qualification and for this purpose shall cooperate with agencies, organizations, and associations interested in certification and other elements of educational personnel qualification.

Article 6 – Agreement Evaluation

The designated state officials of any party state may meet from time to time as a group to evaluate progress under the agreement and to formulate recommendations for changes.

Article 7 – Other Arrangements

Nothing in this agreement shall be construed to prevent or inhibit other arrangements or practices of any party state or states to facilitate the interchange of educational personnel.

Article 8 – Effect and Withdrawal

1. This agreement shall become effective when enacted into law by two (2) states. Thereafter it shall become effective as to any state upon its enactment of this agreement.

2. Any party state may withdraw from this agreement by enacting a statute repealing the same, but no such withdrawal shall take effect until one (1) year after the governor of the withdrawing state has given notice in writing of the withdrawal to the governors of all other party states.

3. No withdrawal shall relieve the withdrawing state of any obligation imposed upon it by a contract to which it is a party. The duration of contracts and the methods and conditions of withdrawal therefrom shall be those specified in their terms.

Article 9 – Construction and Severability

This agreement shall be liberally construed so as to effectuate the purposes thereof. The provisions of this agreement shall be severable and if any phrase, clause, sentence, or provision of this agreement is declared to be contrary to the constitution of any state or of the United States, or the application thereof to any government, agency, person, or circumstance is held invalid, the validity of the remainder of this agreement and the applicability thereof to any government, agency, person, or circumstance shall not be affected thereby. If this agreement shall be held contrary to the constitution of any state participating therein, the agreement shall remain in full force and effect as to the state affected as to all severable matters.

Sec. 2. (a) The state superintendent, or a person authorized to act in behalf of the state superintendent, is the education official

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selected by this state to negotiate and enter into, on behalf of this state, contracts under the interstate agreement set forth in section 1 of this chapter.

(b) The designated education official, acting jointly with similar officers of other party states, may adopt rules to carry out more effectively the terms of the interstate agreement.

(c) The designated education official is authorized, empowered, and directed to cooperate with all departments, agencies, and officers of state government and its subdivisions in facilitating the proper administration of the following:

(1) The interstate agreement.

(2) A supplementary agreement entered into by this state under the interstate agreement.

Chapter 2. Compact for Education

Sec. 1. The following compact for education, which has been negotiated by the representatives of the fifty (50) states, is approved, ratified, adopted, enacted into law, and entered into by the state as a party and a signatory state, namely:

COMPACT FOR EDUCATION

ARTICLE 1.

PURPOSE AND POLICY.

A. It is the purpose of this compact to:

1. Establish and maintain close cooperation and understanding among executive, legislative, professional educational, and lay leadership on a nationwide basis at the state and local levels.

2. Provide a forum for the discussion, development, crystallization and recommendation of public policy alternatives in the field of education.

3. Provide a clearinghouse of information on matters relating to educational problems and how they are being met in different places throughout the nation, so that the executive and legislative branches of state government and of local communities may have ready access to the experience and record of the entire country, and so that both lay and professional groups in the fields of education may have additional avenues for the sharing of experience and the interchange of ideas in the formation of public policy in education.

4. Facilitate the improvement of state and local educational systems so that all of them will be able to meet adequate and desirable goals in a society which requires continuous qualitative and quantitative advance in educational opportunities, methods and facilities.

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B. It is the policy of this compact to encourage and promote local and state initiative in the development, maintenance, improvement, and administration of educational systems and institutions in a manner which will accord with the needs and advantages of diversity among localities and states.

C. The party states recognize that each of them has an interest in the quality and quantity of education furnished in each of the other states, as well as in the excellence of its own educational systems and institutions, because of the highly mobile character of individuals within the nation, and because the products and services contributing to the health, welfare, and economic advancement of each state are supplied in significant part by persons educated in other states.

ARTICLE 2.

STATE DEFINED.

As used in this compact, "state" means a state, territory or possession of the United States, the District of Columbia, or the Commonwealth of Puerto Rico.

ARTICLE 3.

THE COMMISSION.

A. The education commission of the states, hereinafter called "the commission," is established. The commission shall consist of seven (7) members representing each party state. One (1) of such members shall be the governor; two (2) shall be members of the state legislature selected by its respective houses and serving in such manner as the legislature may determine; and four (4) shall be appointed by and serve at the pleasure of the governor, unless the laws of the state otherwise provide. If the laws of a state prevent legislators from serving on the commission, six (6) members shall be appointed and serve at the pleasure of the governor, unless the laws of the state otherwise provide. In addition to any other principles or requirements which a state may establish for the appointment and service of its members of the commission, the guiding principle for the composition of the membership on the commission for each party state shall be that the members representing such state shall by virtue of their training, experience, knowledge or affiliations be in a position collectively to reflect broadly the interests of the state government, higher education, the state education system, local education, lay and professional, public and nonpublic educational leadership. Of those appointees, one (1) shall be the head of a state agency or institution, designated by the governor, having responsibility for

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one (1) or more programs of public education. In addition to the members of the commission representing the party states, there may be not to exceed ten (10) nonvoting commissioners selected by the steering committee for terms of one (1) year. Such commissioners shall represent leading national organizations of professional educators or persons concerned with educational administration.

B. The members of the commission shall be entitled to one (1) vote each on the commission. No action of the commission shall be binding unless taken at a meeting at which a majority of the total number of votes on the commission are cast in favor thereof. Action of the commission shall be only at a meeting at which a majority of the commissioners are present. The commission shall meet at least once a year. In its bylaws, and subject to such directions and limitations as may be contained therein, the commission may delegate the exercise of any of its powers to the steering committee or the executive director, except for the power to approve budgets or requests for appropriations, and power to make policy recommendations pursuant to Article 4 and adoption of the annual report pursuant to Article 3(J).

C. The commission shall have a seal.

D. The commission shall elect annually, from among its members, a chairman, who shall be a governor, a vice chairman, and a treasurer. The commission shall provide for the appointment of an executive director. Such executive director shall serve at the pleasure of the commission, and together with the treasurer and such other personnel as the commission may deem appropriate shall be bonded in such amount as the commission shall determine. The executive director shall be secretary.

E. Irrespective of the civil service, personnel, or other merit system laws of any of the party states, the executive director subject to the approval of the steering committee shall appoint, remove or discharge such personnel as may be necessary for the performance of the functions of the commission, and shall fix the duties and compensation of such personnel. The commission in its bylaws shall provide for the personnel policies and programs of the commission.

F. The commission may borrow, accept, or contract for the services of personnel from any party jurisdiction, the United States, or any subdivision or agency of the aforementioned governments, or from any agency of two (2) or more of the party jurisdictions or their subdivisions.

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G. The commission may accept for any of its purposes and functions under this compact any and all donations, and grants of money, equipment, supplies, materials, and services, conditional or otherwise, from any state, the United States, or any other governmental agency, or from any person, firm, association, foundation, limited liability company, or corporation, and may receive, utilize and dispose of the same. Any donation or grant accepted by the commission pursuant to this paragraph or services borrowed pursuant to Article 3(F) shall be reported in the annual report of the commission. Such report shall include the nature, amount and conditions, if any, of the donation, grant, or services borrowed, and the identity of the donor or lender.

H. The commission may establish and maintain such facilities as may be necessary for the transacting of its business. The commission may acquire, hold, and convey real and personal property and any interest therein.

I. The commission shall adopt bylaws for the conduct of its business and shall have the power to amend and rescind these bylaws. The commission shall publish (in) its bylaws in convenient form and shall file a copy thereof and a copy of any amendment thereto, with the appropriate agency or officer in each of the party states.

J. The commission annually shall make to the governor and legislature of each party state a report covering the activities of the commission for the preceding year. The commission may make such additional reports as it may deem desirable.

ARTICLE 4.

POWERS.

In addition to authority conferred on the commission by other provisions of the compact, the commission shall have authority to:

1. Collect, correlate, analyze and interpret information and data concerning educational needs and resources.

2. Encourage and foster research in all aspects of education, but with special reference to the desirable scope of instruction, organization, administration, and instructional methods and standards employed or suitable for employment in public educational systems.

3. Develop proposals for adequate financing of education as a whole and at each of its many levels.

4. Conduct or participate in research of the types referred to in this article in any instance where the commission finds that such research is necessary for the advancement of the purposes and

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policies of this compact, utilizing fully the resources of national associations, regional compact organizations for higher education, and other agencies and institutions, both public and private.

5. Formulate suggested policies and plans for the improvement of public education as a whole, or for any segment thereof, and make recommendations with respect thereto available to the appropriate governmental units, agencies, and public officials.

6. Do such other things as may be necessary or incidental to the administration of any of its authority or functions pursuant to this compact.

ARTICLE 5.
COOPERATION WITH FEDERAL GOVERNMENT.

A. If the laws of the United States specifically so provide, or if administrative provision is made therefor within the federal government, the United States may be represented on the commission by not to exceed ten (10) representatives. Any such representative or representatives of the United States shall be appointed and serve in such manner as may be provided by or pursuant to federal law, and may be drawn from any one or more branches of the federal government, but no such representative shall have a vote on the commission.

B. The commission may provide information and make recommendations to any executive or legislative agency or officer of the federal government concerning the common educational policies of the states, and may advise with any such agencies or officers concerning any matter of mutual interest.

ARTICLE 6.
COMMITTEES.

A. To assist in the expeditious conduct of its business when the full commission is not meeting, the commission shall elect a steering committee of thirty-two (32) members that, subject to the provisions of this compact and consistent with the policies of the commission, shall be constituted and function as provided in the by-laws of the commission. One-fourth (1/4) of the voting membership of the steering committee shall consist of governors, one-fourth (1/4) shall consist of legislators, and the remainder shall consist of other members of the commission. A federal representative on the commission may serve with the steering committee, but without vote. The voting members of the steering committee shall serve for terms of two (2) years, except that members elected to the first steering committee of the commission shall be elected as follows: sixteen (16) for one (1) year and sixteen

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(16) for two (2) years. The chairman, vice chairman, and treasurer of the commission shall be members of the steering committee and, anything in this paragraph to the contrary notwithstanding, shall serve during their continuance in these offices. Vacancies in the steering committee shall not affect its authority to act, but the commission at its next regularly ensuing meeting following the occurrence of any vacancy shall fill it for the unexpired term. No person shall serve more than two (2) terms as a member of the steering committee; provided that service for a partial term of one (1) year or less shall not be counted toward the two (2) term limitation.

B. The commission may establish advisory and technical committees composed of state, local, and federal officials, and private persons to advise it with respect to any one (1) or more of its functions. Any advisory or technical committee may, on request of the states concerned, be established to consider any matter of special concern to two (2) or more of the party states.

C. The commission may establish such additional committees as its bylaws may provide.

ARTICLE 7.
FINANCE.

A. The commission shall advise the governor or designated officer or officers of each party state of its budget and estimated expenditures for such period as may be required by the laws of that party state. Each of the commission's budgets of estimated expenditures shall contain specific recommendations of the amount or amounts to be appropriated by each of the party states.

B. The total amount of appropriation requests under any budget shall be apportioned among the party states. In making such apportionment, the commission shall devise and employ a formula which takes equitable account of the populations and per capita income levels of the party states.

C. The commission shall not pledge the credit of any party states. The commission may meet any of its obligations in whole or in part with funds available to it pursuant to Article 3(G) of this compact, provided, that the commission takes specific action setting aside such funds prior to incurring an obligation to be met in whole or in part in such manner. Except where the commission makes use of funds available to it pursuant to Article 3(G) thereof, the commission shall not incur any obligation prior to the allotment of funds by the party states adequate to meet the same.

D. The commission shall keep accurate accounts of all receipts

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and disbursements. The receipts and disbursements of the commission shall be subject to the audit and accounting procedures established by its bylaws. However, all receipts and disbursements of funds handled by the commission shall be audited yearly by a qualified public accountant, and the report of the audit shall be included in and become part of the annual reports of the commission.

E. The accounts of the commission shall be open at any reasonable time for inspection by duly constituted officers of the party states and by any persons authorized by the commission.

F. Nothing contained herein shall be construed to prevent commission compliance with laws relating to audit or inspection of accounts by or on behalf of any government contributing to the support of the commission.

ARTICLE 8.
ELIGIBLE PARTIES;
ENTRY INTO AND WITHDRAWAL.

A. This compact shall have as eligible parties all states, territories, and possessions of the United States, the District of Columbia, and the Commonwealth of Puerto Rico. In respect of any such jurisdiction not having a governor, the term "governor", as used in this compact, shall mean the closest equivalent official of such jurisdiction.

B. Any state or other eligible jurisdiction may enter into this compact, and it shall become binding thereon when it has adopted the same: Provided, That in order to enter into initial effect, adoption by at least ten (10) eligible party jurisdictions shall be required.

C. Adoption of the compact may be either by enactment thereof or by adherence thereto by the governor. However, in the absence of enactment, adherence by the governor shall be sufficient to make his state a party only until December 31, 1967. During any period when a state is participating in this compact through gubernatorial action, the governor shall appoint those persons who, in addition to himself, shall serve as the members of the commission from his state, and shall provide to the commission an equitable share of the financial support of the commission from any source available to him.

D. Except for a withdrawal effective on December 31, 1967, in accordance with Article 8(C), any party state may withdraw from this compact by enacting a statute repealing the same, but no such withdrawal shall take effect until one (1) year after the governor of

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the withdrawing state has given notice in writing of the withdrawal to the governors of all other party states. No withdrawal shall affect any liability already incurred by or chargeable to a party state prior to the time of such withdrawal.

ARTICLE 9.

CONSTRUCTION AND SEVERABILITY.

This compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this compact shall be severable and if any phrase, clause, sentence or provision of this compact is declared to be contrary to the constitution of any state or of the United States, or the application thereof to any government, agency, person, or circumstance is held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person or circumstance shall not be affected thereby. If this compact shall be held contrary to the constitution of any state participating therein, the compact shall remain in full force and effect as to the state affected as to all severable matters.

Sec. 2. In accordance with Article 3(I) of the compact for education adopted by the state under section 1 of this chapter, the governor shall appoint one (1) of the commissioners designated under section 4 of this chapter to file a copy of the bylaws adopted by the education commission of the states and any amendments to those bylaws with the office of the secretary of state.

Sec. 3. (a) Each state officer shall do whatever is necessary within the officer's respective jurisdiction in order to carry out the purposes of the compact for education adopted by the state under this chapter.

(b) All officers, bureaus, or departments of state government shall furnish, upon the request of a commissioner designated under section 4 of this chapter, any information and data possessed by that officer, bureau, or department that pertains to the policies and purposes of the compact for education.

Sec. 4. (a) In accordance with the compact for education adopted by the state under this chapter, the following seven (7) individuals are designated to represent the state as commissioners on the education commission of the states:

(1) The governor.

(2) One (1) member of the senate appointed by the president pro tempore of the senate.

(3) One (1) member of the house of representatives appointed by the speaker of the house of representatives.

(4) Four (4) members appointed by the governor, and serving

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at the pleasure of the governor, each of whom, either in a professional or lay capacity, is:

(A) involved in the educational system in Indiana; or

(B) familiar with the educational needs and problems in Indiana.

(b) The commissioners designated in subsection (a) are not required to hold meetings. However, the governor may take whatever action is necessary to ensure that the state is appropriately represented at the meetings or events sponsored by the education commission of the states.

(c) The commissioners designated in subsection (a) may exercise on behalf of the state the powers set forth under Article 4 of the compact for education adopted by the state under section 1 of this chapter.

(d) Administrative and staff support for the commissioners shall be provided by the education policy office of the Indiana University School of Public and Environmental Affairs at Indiana University-Purdue University Indianapolis.

Sec. 5. (a) Each commissioner who is not a state employee is not entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). Such a member is, however, entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

(b) Each commissioner who is a state employee but who is not a member of the general assembly is entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

(c) Each commissioner who is a member of the general assembly is entitled to receive the same per diem, mileage, and travel allowances paid to members of the general assembly serving on interim study committees established by the legislative council.

SECTION 23. IC 9-21-5-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13. (a) Except as provided in ~~subsection~~ **subsections** (b) **and (c),** a person who violates this chapter commits a Class C infraction.

(b) A person who exceeds a speed limit that is:

(1) established under section 6 of this chapter and imposed only in the immediate vicinity of a school when children are present;

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or

(2) established under section 11 of this chapter and imposed only in the immediate vicinity of a worksite when workers are present;

commits a Class B infraction.

(c) A person who, while operating a school bus exceeds a speed limit set forth in section 14 of this chapter commits a Class C misdemeanor.

SECTION 24. IC 9-21-5-14 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 14. (a) A person may not operate a school bus at a speed greater than:**

(1) fifty-five (55) miles per hour on a federal or state highway; or

(2) forty (40) miles per hour on a county or township highway.

(b) If the posted speed limit is lower than the absolute limits set in this section or if the absolute limits do not apply, the maximum lawful speed of a bus is the posted speed limit.

SECTION 25. IC 9-21-12-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 11. **(a)** A person who violates section 5, 6, or 7 of this chapter commits a Class C infraction.

(b) A person who violates section 12, 13, 14, 15, 16, or 17 of this chapter commits a Class C misdemeanor.

SECTION 26. IC 9-21-12-12 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 12. When a school bus is operated on a highway, the driver shall load and unload a student as close as practical to the right-hand curb or edge of the roadway.**

SECTION 27. IC 9-21-12-13 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 13. (a) Except:**

(1) as provided in subsection (b); or

(2) when a school bus is stopped at an intersection or another place where traffic is controlled by a traffic control device or a police officer;

whenever a school bus is stopped on a roadway to load or unload a student, the driver shall use an arm signal device, which must be extended while the bus is stopped.

(b) The governing body of a public school may authorize a school bus driver to load or unload a student at a location off the roadway that the governing body designates as a special school bus loading area. The driver is not required to extend the arm signal device when loading or unloading a student in the designated area.

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SECTION 28. IC 9-21-12-14 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 14. Before a driver changes the direction of a school bus, the driver shall use a directional signal to indicate the change at least one hundred (100) feet before the driver turns.**

SECTION 29. IC 9-21-12-15 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 15. The driver of a school bus shall use flashing lights as prescribed by the state school bus committee to give adequate warning that the school bus is stopped or about to stop on the roadway to load or unload a student.**

SECTION 30. IC 9-21-12-16 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 16. When a school bus is in motion, students are prohibited from occupying any space forward of a vertical plane drawn through the rear of the driver's seat and perpendicular to the longitudinal axis of the bus. Every school bus must:**

(1) be marked with a line or otherwise equipped in order to indicate the prohibited area to students; and

(2) have clearly posted, at or near the front of the bus, a sign stating that it is a violation of Indiana law for a school bus to be operated with any students occupying the prohibited area.

SECTION 31. IC 9-21-12-17 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 17. (a) Except as provided in subsection (b), before crossing any railroad track at grade, the driver of a school bus carrying a passenger shall stop the bus within fifty (50) feet but not less than fifteen (15) feet from the nearest rail. While the bus is stopped, the driver shall:**

(1) listen through an open door;

(2) look in both directions along the track for an approaching train; and

(3) look for signals indicating the approach of a train.

The driver may not proceed until it is safe to proceed. When it is safe to proceed, the driver shall select a gear that will allow the driver to cross the tracks without changing gears. The driver may not shift gears while crossing the tracks.

(b) The driver is not required to stop when a police officer is directing the flow of traffic across railroad tracks.

(c) Upon conviction of a violation of this section, a driver shall

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have the driver's operator's license suspended for a period of not less than sixty (60) days in addition to the penalties provided by section 11 of this chapter.

SECTION 32. IC 12-17-19 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

Chapter 19. Step Ahead Comprehensive Early Childhood Grant Program

Sec. 1. As used in this chapter, "convener" means:

(1) an organization that:

(A) is nonprofit;

(B) is nongovernmental;

(C) is not religiously affiliated;

(D) operates countywide; and

(E) serves multiple agencies;

(2) a school corporation (as defined in IC 20-18-2-16); or

(3) another entity approved by the panel.

Sec. 2. As used in this chapter, "coordination grant" refers to a step ahead grant awarded to initiate the development of a step ahead proposal.

Sec. 3. As used in this chapter, "eligible entity" means any of the following:

(1) A school corporation (as defined in IC 20-18-2-16).

(2) An organization approved by the panel.

(3) A combination of eligible entities described in subdivisions (1) and (2) under a cooperative agreement among the eligible entities.

Sec. 4. As used in this chapter, "eligible program" means a federal, state, local, or private program or service that serves, assists, or otherwise benefits a child and is approved by the governor and the panel under guidelines developed under section 18 of this chapter. The term includes the following programs or services:

(1) Child care.

(2) Preschool, including special education preschool.

(3) Parent information, including parents as teachers programs.

(4) School age child care (commonly referred to as latch key) as described in IC 12-17-12-5 and IC 20-26-5-1(c), including latch key services for kindergarten students.

(5) Early identification and early intervention.

(6) Maternal and child nutrition.

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(7) Health and screening.

Sec. 5. (a) As used in this chapter, "implementation grant" refers to a step ahead grant that is awarded to a step ahead county to provide financial assistance to eligible entities providing eligible programs.

(b) The term includes the use of available state appropriations and available federal funds, including federal funds received under the Child Care and Development Block Grant under 42 U.S.C. 9858 et seq.

Sec. 6. As used in this chapter, "income eligibility guidelines" refers to the income eligibility guidelines prescribed by the panel under section 18 of this chapter.

Sec. 7. As used in this chapter, "panel" refers to the step ahead statewide panel established by section 14 of this chapter.

Sec. 8. As used in this chapter, "parent" means an individual who has legal custody of a child.

Sec. 9. As used in this chapter, "step ahead" refers to the step ahead comprehensive early childhood grant program established by section 11 of this chapter.

Sec. 10. As used in this chapter, "step ahead county" refers to a county in which an eligible entity has been awarded coordination and implementation grants. The term may include more than one (1) county as provided in section 18 of this chapter.

Sec. 11. (a) The step ahead comprehensive early childhood grant program is established to provide financial assistance and other incentives to eligible entities to implement, coordinate, and monitor eligible programs countywide.

(b) The division shall administer the Child Care and Development Block Grant under 42 U.S.C. 9858 et seq. received by the division in accordance with the guidelines established by the panel under section 18 of this chapter.

(c) The panel shall use available state funds to the extent the general assembly makes an appropriation under this chapter.

Sec. 12. Unexpended money appropriated from the state general fund to carry out the purposes of this chapter does not revert to the state general fund at the end of a state fiscal year.

Sec. 13. The goals of step ahead are to:

(1) identify and recognize the various eligible programs available in each county at federal, state, local, and private levels;

(2) encourage coordination and cooperation among the eligible programs described in subdivision (1) and to

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discourage duplication of services;

(3) provide comprehensive eligible programs countywide that are accessible to all eligible children and affordable to the children's parents;

(4) recognize the specific service needs of and unique resources available to particular counties, develop statewide resource listings, and incorporate flexibility regarding the implementation of eligible programs;

(5) prevent or minimize the potential for developmental delay in children before the children reach the age of compulsory school attendance under IC 20-33-2;

(6) enhance certain federally funded eligible programs;

(7) strengthen the family unit through:

(A) encouragement of parental involvement in a child's development and education;

(B) prevention of disruptive employment conditions for parents who are employed; and

(C) enhancement of the capacity of families to meet the special needs of their children, including those children with disabilities;

(8) reduce the educational costs to society by reducing the need for special education services after children reach school age;

(9) ensure that children with disabilities are integrated, when appropriate, into programs available to children who are not disabled; and

(10) ensure that every child who enrolls in kindergarten in Indiana has benefited since birth from eligible programs available under step ahead.

Sec. 14. (a) The step ahead statewide panel is established to implement the step ahead program.

(b) The panel consists of the following members:

(1) Six (6) members who:

(A) are appointed by and serve at the pleasure of the governor; and

(B) are selected from representatives of the following state agencies:

(i) Division of mental health and addiction.

(ii) State department of health.

(iii) The division.

(iv) Budget agency.

(v) Division of aging and rehabilitative services.

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(vi) Department of education.

(vii) Executive staff of the lieutenant governor with knowledge in the area of employment and training programs.

(viii) Executive staff of the governor.

(2) Five (5) members who:

(A) are appointed by and serve at the pleasure of the governor;

(B) are representative of the private sector; and

(C) are knowledgeable in the field of early childhood development.

(3) Four (4) members who:

(A) are appointed by and serve at the pleasure of the state superintendent of public instruction; and

(B) are knowledgeable in early childhood education.

(4) One (1) member who:

(A) is appointed by and serves at the pleasure of the governor; and

(B) serves as the chairperson of the panel.

Sec. 15. (a) The members of the panel who are state employees are entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

(b) Each member of the panel who is not a state employee is entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). A member who is not a state employee is also entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

Sec. 16. The panel may use the personnel employed by the division to assist the panel in implementing this chapter.

Sec. 17. The panel may adopt rules under IC 4-22-2 to implement this chapter.

Sec. 18. (a) The panel shall do the following:

(1) Establish guidelines to implement this chapter that comply with the regulations governing the distribution of the Child Care and Development Block Grant under 42 U.S.C. 9858 et seq., including guidelines on the following:

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(A) Subject to the requirements under sections 20 and 22 of this chapter, the content of the application and step ahead proposal.

(B) The types of early childhood programs that are eligible programs.

(C) Income eligibility guidelines for parents who are unable to afford the services provided by eligible entities.

(D) Subject to the availability of funds, a schedule for awarding coordination and implementation grants and the criteria used to award those grants under this chapter, including the following:

(i) The degree to which available eligible programs are coordinated within the county under the proposal.

(ii) The extent of community commitment to step ahead initiatives.

(iii) The relative need for the county to become a step ahead county.

(iv) The extent to which multiple eligible programs and services are collocated throughout the county, including public schools.

(v) The extent to which the school corporations within the county cooperate in step ahead initiatives.

(vi) The quality reflected by comprehensive programming for preschool services and the commitment to consistent staff training opportunities.

(vii) The extent to which proposed eligible programs provide integrated programs for children with disabilities and children who are not disabled.

(E) Any limitations in the expenditure of step ahead grants.

(F) Requirements for grant recipients or the step ahead county coordinator to report on the implementation of the step ahead programs within the county.

(G) The distribution of federal funds, including the Child Care and Development Block Grant under 42 U.S.C. 9858 et seq., and other available funds to eligible programs.

(H) Any other pertinent matter.

(2) Develop minimum standards for eligible programs.

(3) Review each step ahead application for a coordination grant and each proposal for an implementation grant submitted by the convener.

(4) Approve those proposals that comply with this chapter.

(5) Conduct the assessments of step ahead programs under

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section 24 of this chapter.

(6) Monitor the overall implementation of step ahead, encourage the collaboration through the department of education's early childhood division to promote consistency in state efforts for young children, and report to the governor on the implementation of step ahead.

(7) Any other task to facilitate the implementation of step ahead.

(b) The panel may contract for services to assist in the implementation of the step ahead program.

(c) The panel may designate as a step ahead county and step ahead grant recipient more than one (1) county if the participating counties:

(1) are contiguous to each other; and

(2) agree to jointly comply with this chapter.

Sec. 19. Notwithstanding IC 4-13-2-20 and IC 12-8-10-7 and in addition to the authorization to enter into contracts for services under section 18(b) of this chapter, a contract issued by the division for programs administered by the bureau of child care services, including a contract for the administration of the programs authorized under IC 12-17-15 and this chapter, may include a provision for advance funding if the provision is not inconsistent with the terms of any applicable federal law or regulation and any of the following conditions is met:

(1) The annual contract amount is at least fifty thousand dollars ($50,000) and the advance funding is not more than one-sixth (1/6) of the contract amount.

(2) The annual contract amount is less than fifty thousand dollars ($50,000) and the advance funding is not more than one-half (1/2) of the contract amount.

(3) The advance funding is in the form of interim payments, with subsequent reconciliation of the amounts paid under the contract and the cost of the services actually provided.

Sec. 20. In order for the eligible entities in a county to receive a coordination grant, the following must occur:

(1) One (1) convener located within the county must submit to the panel, on or before August 1 of a year and under an agreement by the eligible entities in the county, an application for a coordination grant that:

(A) designates a step ahead county coordinator to facilitate the development of the proposal;

(B) designates a fiscal agent to receive the coordination

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grant; and

(C) includes any other information required under the guidelines.

(2) Upon review of each application, the panel shall designate each step ahead county and shall award a coordination grant to the fiscal agent described in subdivision (1).

Sec. 21. Upon receipt of a coordination grant, the step ahead county coordinator shall initiate the development of a detailed proposal to qualify for an implementation grant. The step ahead county coordinator shall submit the proposal to the panel on or before December 31 of the year in which the application is submitted.

Sec. 22. The proposal submitted under section 21 of this chapter must comply with the following minimum requirements:

(1) Include a detailed description of the manner in which the eligible programs available within the county are to be implemented, coordinated, and monitored.

(2) Certify that each eligible entity shall request and obtain a limited criminal history on each prospective employee hired by the eligible entity.

(3) Designate a fiscal agent to administer the implementation grant.

(4) Demonstrate how at least the following eligible programs may be offered, coordinated, and monitored within the entire county under an agreement with the providers of the following eligible programs:

(A) Preschool, including Head Start under 42 U.S.C. 9831 et seq., special education preschool, or developmental child care programs for preschool children.

(B) Child care programs.

(C) The Early and Periodic Screening, Diagnosis, and Treatment program under 42 U.S.C. 1396 et seq.

(D) Early intervention parent information programs.

(E) Individual family service plans.

(F) School age child care programs (commonly referred to as latch key programs).

(G) Student reading skills improvement grants under 20 U.S.C. 6361 et seq.

(H) Parental involvement programs.

(I) Child care programs aimed at serving children of teenage parents to encourage the teenage parents to graduate from high school or participate in vocational

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training.

(J) Vocational training programs for unemployed parents.

(K) Health, nutrition, and vaccination programs.

(L) State medical assistance services for eligible individuals under IC 12-15.

(5) Certify that the eligible programs described in subdivision (4) are provided at no cost to parents of children who qualify under the income eligibility guidelines and at an affordable or sliding fee for other parents.

(6) Describe the manner in which the implementation grant will be directed to and expended by eligible programs.

Sec. 23. (a) The fiscal agent for the implementation grant may distribute the implementation grant received under this chapter in accordance with the approved proposal.

(b) If an eligible entity received state funds to implement an eligible program before becoming a step ahead eligible program, the eligible entity shall be given priority with regard to receiving continued state funding to implement the eligible program under this chapter with no break in continuity of service from the prior year.

Sec. 24. (a) To evaluate the effectiveness of step ahead as the program relates to the step ahead goals listed in section 13 of this chapter, the panel shall employ the following assessment mechanisms:

(1) The step ahead county coordinator shall annually report to the panel on the development, quality, and appropriateness of the individual family service plans for children whose parents qualify under the income eligibility guidelines.

(2) The step ahead county coordinator shall annually report to the panel on the number of children who:

(A) are using step ahead services; and

(B) do not qualify under the income eligibility guidelines.

(3) The panel shall annually assess the results of any readiness program under IC 20-20-26 for students in kindergarten and grade 1 to determine whether children enrolling in school after benefiting from step ahead demonstrate greater readiness for learning. The department of education shall cooperate with the panel in this regard by assisting in defining the term "readiness" and supporting the evaluation based on knowledge and training in early childhood.

(4) Any other valid assessment technique or method approved by the panel.

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(b) The panel shall implement a schedule for assessing step ahead programs, using prior evaluation results and techniques learned through the department of education's pilot preschool programs.

Sec. 25. (a) Each step ahead proposal must provide for the implementation of a preschool or developmental child care program for preschool children.

(b) The goals of the preschool or developmental child care program for preschool children are to:

(1) enhance the child's readiness for learning and facilitate the transition from home to school when the preschool child reaches the age of compulsory school attendance;

(2) identify developmental problems or concerns in preschool children and make referrals to the appropriate service providers or to provide the appropriate services;

(3) prevent disruptive employment conditions for parents who are employed; and

(4) ensure a continuity in access to step ahead programs as each preschool child nears the age of compulsory school attendance.

(c) To qualify for an implementation grant under this chapter for preschool or developmental child care programs for preschool children, the eligible entity implementing a preschool or developmental child care program for preschool children must demonstrate cooperation with the following programs within the county:

(1) Public schools, particularly those public schools that provide preschool or special education preschool services.

(2) Head Start programs under 42 U.S.C. 9831 et seq.

(3) Infants and toddlers with disabilities programs under IC 12-17-15.

(4) County health department programs.

(5) Private industry council programs.

(6) Women, Infants, and Children (WIC) programs under 42 U.S.C. 1786 et seq.

(7) Community mental retardation and mental health centers that provide services to preschool children with disabilities.

(8) The county office of family and children.

(9) Consumer representation groups.

SECTION 33. IC 16-41-37.5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

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Chapter 37.5. Indoor Air Quality in Schools

Sec. 1. As used in this chapter, "school" refers to a:

(1) public school; or

(2) nonpublic school that is not located in a private home.

Sec. 2. (a) The state department may adopt rules under IC 4-22-2 to establish an indoor air quality in schools inspection and evaluation program to assist schools in developing plans to improve indoor air quality.

(b) The state department shall:

(1) inspect a school if the state department receives a complaint about the quality of air in the school;

(2) report the results of the inspection to:

(A) the person who complained about the quality of air in the school;

(B) the school's principal;

(C) the superintendent of the school corporation, if the school is part of a school corporation;

(D) the Indiana state board of education, if the school is a public school or an accredited nonpublic school; and

(E) the appropriate local or county board of health; and

(3) assist the school in developing a reasonable plan to improve air quality conditions found in the inspection.

Sec. 3. (a) The school air quality panel is established to assist the state department in carrying out this chapter.

(b) The panel consists of the following members:

(1) A representative of the state department, appointed by the commissioner of the state department.

(2) A representative of the department of education, appointed by the state superintendent of public instruction.

(3) A member of the governing body of a school corporation, appointed by the state superintendent of public instruction.

(4) A teacher licensed under IC 20-28-4 or IC 20-28-5, appointed by the governor.

(5) A representative of a statewide parent organization, appointed by the state superintendent of public instruction.

(6) A physician who has experience in indoor air quality issues, appointed by the commissioner of the state department.

(7) An individual with training and experience in occupational safety and health, appointed by the commissioner of the department of labor.

(8) A mechanical engineer with experience in building

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ventilation system design, appointed by the governor.

(9) A building contractor with experience in air flow systems who is a member of a national association that specializes in air flow systems, appointed by the governor.

(10) A member of a labor organization whose members install, service, evaluate, and balance heating, ventilation, and air conditioning equipment, appointed by the governor.

(11) An individual with experience in the cleaning and maintenance of commercial facilities, appointed by the governor.

(c) The chairperson of the panel shall be the representative of the state department.

(d) The panel shall convene at the discretion of the chairperson.

(e) The state department shall provide administrative support for the panel.

(f) The panel shall:

(1) identify and make available to schools best operating practices for indoor air quality in schools; and

(2) assist the state department in developing plans to improve air quality conditions found in inspections under section 2 of this chapter.

SECTION 34. IC 20-12-76 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

Chapter 76. Postsecondary Proprietary Educational Institution Accreditation

Sec. 1. As used in this chapter, "accreditation" means certification of a status of approval or authorization by the commission to conduct business as a postsecondary proprietary educational institution.

Sec. 2. As used in this chapter, "agent" means a person who:

(1) enrolls or seeks to enroll a resident of Indiana through:

(A) personal contact;

(B) telephone;

(C) advertisement;

(D) letter; or

(E) publications;

in a course offered by a postsecondary proprietary educational institution; or

(2) otherwise holds the person out to the residents of Indiana as representing a postsecondary proprietary educational institution.

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Sec. 3. As used in this chapter, "agent's permit" means a nontransferable written authorization issued to a person by the commission to solicit a resident of Indiana to enroll in a course offered or maintained by a postsecondary proprietary educational institution.

Sec. 4. As used in this chapter, "application" means a written request for accreditation or an agent's permit on forms supplied by the commission.

Sec. 5. As used in this chapter, "commission" means the Indiana commission on proprietary education.

Sec. 6. As used in this chapter, "course" means a plan or program of instruction or training, whether conducted in person, by mail, or by any other method.

Sec. 7. As used in this chapter, "fund" refers to the career college student assurance fund established by section 20 of this chapter.

Sec. 8. As used in this chapter, "person" means an individual, a partnership, a limited liability company, an association, a corporation, a joint venture, a trust, a receiver, or a trustee in bankruptcy.

Sec. 9. As used in this chapter, "postsecondary proprietary educational institution" means a person doing business in Indiana by offering to the public for a tuition, fee, or charge, instructional or educational services or training in any technical, professional, mechanical, business, or industrial occupation, either in the recipient's home, at a designated location, or by mail. The term does not include the following:

(1) An educational institution established by law and financed in whole or part by public funds.

(2) A postsecondary proprietary educational institution approved or regulated by any other state regulatory board, agency, or commission.

(3) An elementary or secondary school attended by students in kindergarten or grades 1 through 12, supported in whole or in part by private tuition payments. These elementary and secondary schools are expressly excluded from this chapter.

(4) Any educational institution or educational training that:

(A) is maintained or given by an employer or a group of employers, without charge, for employees or for individuals the employer anticipates employing;

(B) is maintained or given by a labor organization, without charge, for its members or apprentices;

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(C) offers exclusively instruction that is clearly self-improvement, motivational, or avocational in intent (including, but not limited to, instruction in dance, music, self-defense, and private tutoring); or

(D) is a Montessori or nursery school.

(5) A privately endowed two (2) or four (4) year degree granting institution, regionally accredited, whose principal campus is located in Indiana.

Sec. 10. The general assembly recognizes that the private school is an essential part of the educational system. It is the purpose of this chapter to protect students, educational institutions, the general public, and honest and ethical operators of private schools from dishonest and unethical practices.

Sec. 11. The Indiana commission on proprietary education is established.

Sec. 12. (a) The commission consists of the following seven (7) members:

(1) The state superintendent or the superintendent's designee.

(2) The executive officer of the commission for higher education or the executive officer's designee.

(3) Five (5) members appointed by the governor.

(b) The members appointed by the governor under subsection (a) serve for a term of four (4) years.

(c) Not more than three (3) of the members appointed by the governor may be members of one (1) political party.

(d) Of the five (5) members appointed by the governor:

(1) one (1) must have been engaged for a period of not less than five (5) years immediately preceding appointment in an executive or a managerial position in a postsecondary proprietary educational institution subject to this chapter;

(2) one (1) must have been engaged in administering or managing an industrial employee training program for a period of not less than five (5) years immediately preceding appointment; and

(3) three (3) shall be representatives of the public at large who are not representatives of the types of postsecondary proprietary educational institutions to be accredited.

For purposes of subdivision (3), an elected or appointed state or local official or a member of a private or public school may not be appointed as a representative of the public at large.

(e) An appointment to fill a vacancy occurring on the commission is for the unexpired term.

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Sec. 13. (a) The commission may select officers from the commission's membership as the commission considers necessary.

(b) The commission may employ and fix compensation for necessary administrative staff.

(c) The commission may adopt reasonable rules under IC 4-22-2 to implement this chapter.

(d) The commission:

(1) may meet as often as is necessary upon call of the chairperson; and

(2) shall meet at least four (4) times a year.

(e) Each member of the commission who is not a state employee is entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). The member is also entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(f) Each member of the commission who is a state employee is entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(g) The commission may adopt and use a seal, the description of which shall be filed with the office of the secretary of state, and which may be used for the authentication of the acts of the commission.

Sec. 14. A person may not do business as a postsecondary proprietary educational institution in Indiana without having obtained accreditation.

Sec. 15. Applications for accreditation shall be filed with the commission and accompanied by an application fee of at least one hundred dollars ($100) for processing the application and evaluating the postsecondary proprietary educational institution.

Sec. 16. The application must include at least the following information:

(1) The name and address of the postsecondary proprietary educational institution and the institution's officers.

(2) The places where the courses are to be provided.

(3) The types of courses to be offered, the form of instruction to be followed with the class, shop, or laboratory, and the

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hours required for each curriculum.

(4) The form of certificate, diploma, or degree to be awarded.

(5) A statement of the postsecondary proprietary educational institution's finances.

(6) A description of the postsecondary proprietary educational institution's physical facilities, including classrooms, laboratories, library, machinery and equipment, toilets, showers, and lavatories.

(7) An explicit statement of policy with reference to:

(A) solicitation of students;

(B) payment and amount of student fees; and

(C) conditions under which students are entitled to a refund in part or in full of fees paid, including a statement concerning the existence of the fund.

(8) Provisions for liability insurance of students.

(9) Maximum student-teacher ratio to be maintained.

(10) Minimum requirements for instructional staff.

Sec. 17. (a) This section is subject to section 18 of this chapter.

(b) Each application must include a surety bond in a penal sum determined under section 18(a) of this chapter. The bond shall be executed by the applicant as principal and by a surety company qualified and authorized to do business in Indiana as surety or cash bond.

(c) The surety bond must be conditioned to provide indemnification to any student or enrollee who suffers a loss or damage as a result of:

(1) the failure or neglect of the postsecondary proprietary educational institution to faithfully perform all agreements, express or otherwise, with the student, enrollee, one (1) or both of the parents of the student or enrollee, or a guardian of the student or enrollee as represented by the application for the institution's accreditation and the materials submitted in support of that application;

(2) the failure or neglect of the postsecondary proprietary educational institution to maintain and operate a course or courses of instruction or study in compliance with the standards of this chapter; or

(3) an agent's misrepresentation in procuring the student's enrollment.

(d) A surety on a bond may be released after the surety has made a written notice of the release directed to the commission at least thirty (30) days before the release. However, a surety may not

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be released from the bond unless all sureties on the bond are released.

(e) The surety bond covers the period of the accreditation.

(f) An accreditation shall be suspended if a postsecondary proprietary educational institution is no longer covered by a surety bond or if the postsecondary proprietary educational institution fails to comply with section 18 of this chapter. The commission shall notify the postsecondary proprietary educational institution in writing at least ten (10) days before the release of the surety or sureties that the accreditation is suspended until another surety bond is filed in the manner and amount required under this chapter.

Sec. 18. (a) Subject to subsections (b), (c), (e), and (f), the commission shall determine the penal sum of each surety bond based upon the following guidelines:

(1) A postsecondary proprietary educational institution that has no annual gross tuition charges assessed for the previous year shall secure a surety bond in the amount of five thousand dollars ($5,000).

(2) If the postsecondary proprietary educational institution's annual gross tuition charges assessed for the previous year are not more than five thousand dollars ($5,000), the institution shall secure a surety bond in the amount of one hundred percent (100%) of that institution's annual gross tuition charges assessed for the previous year.

(3) If the postsecondary proprietary educational institution's annual gross tuition charges assessed for the previous year are more than five thousand dollars ($5,000) but less than fifty thousand dollars ($50,000), the institution shall secure a surety bond in the amount of five thousand dollars ($5,000).

(4) If the postsecondary proprietary educational institution's annual gross tuition charges assessed for the previous year are more than fifty thousand dollars ($50,000) but less than five hundred thousand dollars ($500,000), the institution shall secure a surety bond in the amount of ten percent (10%) of that institution's annual gross tuition charges assessed for the previous year.

(5) If the postsecondary proprietary educational institution's annual gross tuition charges assessed for the previous year are more than five hundred thousand dollars ($500,000), the institution shall secure a surety bond in the amount of fifty thousand dollars ($50,000).

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(b) When a postsecondary proprietary educational institution is required to contribute to the fund and the fund has a balance on the date that the surety bond is due of at least:

(1) one hundred thousand dollars ($100,000), the commission shall reduce the penal sum of the surety bond described in subsection (a) by twenty percent (20%);

(2) two hundred thousand dollars ($200,000), the commission shall reduce the penal sum of the surety bond described in subsection (a) by forty percent (40%);

(3) three hundred thousand dollars ($300,000), the commission shall reduce the penal sum of the surety bond described in subsection (a) by sixty percent (60%);

(4) four hundred thousand dollars ($400,000), the commission shall reduce the penal sum of the surety bond described in subsection (a) by eighty percent (80%); or

(5) five hundred thousand dollars ($500,000), the commission shall reduce the penal sum of the surety bond described in subsection (a) by one hundred percent (100%).

(c) Except as provided in:

(1) section 22 of this chapter; and

(2) subsection (f);

and upon the fund achieving at least an initial five hundred thousand dollar ($500,000) balance, each postsecondary proprietary educational institution that contributes to the fund when the initial quarterly contribution as required under this chapter after the fund's establishment is not required to make contributions to the fund or submit a surety bond.

(d) The commission shall determine the number of quarterly contributions required for the fund to initially accumulate five hundred thousand dollars ($500,000).

(e) Except as provided in section 22 of this chapter and subsection (f), postsecondary proprietary educational institutions that begin making contributions to the fund after the initial quarterly contribution as required under this chapter are:

(1) required to make contributions to the fund for the same number of quarters as determined by the commission under subsection (d); and

(2) after making the contributions to the fund as provided in subdivision (1) for the required number of quarters, may not be required to submit a surety bond.

(f) If after the fund acquires five hundred thousand dollars ($500,000) the balance in the fund becomes less than one hundred

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thousand dollars ($100,000), all postsecondary proprietary educational institutions not required to make contributions to the fund as described in subsection (c) or (e) shall make contributions to the fund for the number of quarters necessary for the fund to accumulate five hundred thousand dollars ($500,000).

Sec. 19. The commission shall require each postsecondary proprietary educational institution to include in each curriculum catalog and promotional brochure the following:

(1) A statement indicating that the postsecondary proprietary educational institution is regulated by the commission under this chapter.

(2) The commission's mailing address and telephone number.

Sec. 20. (a) The career college student assurance fund is established to provide indemnification to a student or an enrollee of a postsecondary proprietary educational institution who suffers loss or damage as a result of any of the occurrences described in section 17(c) of this chapter if the occurrences transpired after June 30, 1992, and as provided in section 37 of this chapter.

(b) The commission shall administer the fund.

(c) The expenses of administering the fund shall be paid from money in the fund.

(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

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

(f) Upon the fund acquiring twenty-five thousand dollars ($25,000), the balance in the fund may not become less than twenty-five thousand dollars ($25,000). If:

(1) a claim against the fund is filed that would, if paid in full, require the balance of the fund to become less than twenty-five thousand dollars ($25,000); and

(2) the commission determines that the student is eligible for a reimbursement under the fund;

the commission shall prorate the amount of the reimbursement to ensure that the balance of the fund does not become less than twenty-five thousand dollars ($25,000), and the student is entitled to receive that balance of the student's claim from the fund as money becomes available in the fund from contributions to the fund required under this chapter.

(g) The commission shall ensure that all outstanding claim amounts described in subsection (f) are paid as money in the fund

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becomes available in the chronological order of the outstanding claims.

(h) A claim against the fund may not be construed to be a debt of the state.

Sec. 21. (a) Subject to section 18 of this chapter, each postsecondary proprietary educational institution shall make quarterly contributions to the fund. The quarters begin January 1, April 1, July 1, and October 1.

(b) For each quarter, each postsecondary proprietary educational institution shall make a contribution equal to the STEP THREE amount derived under the following formula:

STEP ONE: Determine the total amount of tuition and fees earned during the quarter.

STEP TWO: Multiply the STEP ONE amount by one-tenth of one percent (0.1%).

STEP THREE: Add the STEP TWO amount and sixty dollars ($60).

(c) Notwithstanding section 18 of this chapter, for a postsecondary proprietary educational institution beginning operation after July 1, 1992, the commission, in addition to requiring contributions to the fund, shall require the postsecondary proprietary educational institution to submit a surety bond in an amount determined by the commission for a period that represents the number of quarters required for the fund to initially accumulate five hundred thousand dollars ($500,000) as determined under section 18(d) of this chapter.

Sec. 22. (a) Upon receipt of an application, the commission shall make an investigation to determine the accuracy of the statements in the application to determine if the postsecondary proprietary educational institution meets the minimum standards for accreditation.

(b) During the investigation under subsection (a), the commission may grant a temporary status of accreditation. The temporary status of accreditation is sufficient to meet the requirements of this chapter until a determination on accreditation is made.

Sec. 23. The cost of performing a team onsite investigation shall be paid by the applicant postsecondary proprietary educational institution. However, the total cost of an inspection, including room, board, and mileage that does not require travel outside Indiana, may not exceed one thousand dollars ($1,000) for any one (1) postsecondary proprietary educational institution.

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Sec. 24. (a) A postsecondary proprietary educational institution shall maintain at least the following records for each student:

(1) The program in which the student enrolls.

(2) The length of the program.

(3) The date of the student's initial enrollment in the program.

(4) The student's period of attendance.

(5) The amount of the student's tuition and fees.

(6) A copy of the enrollment agreement.

(b) Upon the request of the commission, a postsecondary proprietary educational institution shall submit the records described in subsection (a) to the commission.

(c) If the postsecondary proprietary educational institution ceases operation, the postsecondary proprietary educational institution shall submit the records described in subsection (a) to the commission not later than thirty (30) days after the institution ceases to operate.

Sec. 25. Full accreditation may not be issued unless and until the commission finds that the postsecondary proprietary educational institution meets minimum standards that are appropriate to that type or class of postsecondary proprietary educational institution, including the following minimum standards:

(1) The postsecondary proprietary educational institution has a sound financial structure with sufficient resources for continued support.

(2) The postsecondary proprietary educational institution has satisfactory training or educational facilities with sufficient tools, supplies, or equipment and the necessary number of work stations or classrooms to adequately train, instruct, or educate the number of students enrolled or proposed to be enrolled.

(3) The postsecondary proprietary educational institution has an adequate number of qualified instructors or teachers, sufficiently trained by experience or education, to give the instruction, education, or training contemplated.

(4) The advertising and representations made on behalf of the postsecondary proprietary educational institution to prospective students are truthful and free from misrepresentation or fraud.

(5) The charge made for the training, instruction, or education is clearly stated and based upon the services rendered.

(6) The premises and conditions under which the students

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work and study are sanitary, healthful, and safe according to modern standards.

(7) The postsecondary proprietary educational institution has and follows a refund policy approved by the commission.

Sec. 26. (a) After investigation and a finding that the information in the application is true and the postsecondary proprietary educational institution meets the minimum standards, the commission shall issue an accreditation to the postsecondary proprietary educational institution upon payment of an additional fee of not less than twenty-five dollars ($25).

(b) The commission may waive inspection of a postsecondary proprietary educational institution that has been accredited by an accrediting unit whose standards are approved by the commission as meeting or exceeding the requirements of this chapter.

(c) A valid license, approval to operate, or other form of accreditation issued to a postsecondary proprietary educational institution by another state may be accepted, instead of inspection, if:

(1) the requirements of that state meet or exceed the requirements of this chapter; and

(2) the other state will, in turn, extend reciprocity to postsecondary proprietary educational institutions accredited by the commission.

(d) An accreditation issued under this section expires one (1) year following the accreditation's issuance.

(e) An accredited postsecondary proprietary educational institution may renew the institution's accreditation annually upon:

(1) the payment of a fee of not less than twenty-five dollars ($25); and

(2) continued compliance with this chapter.

Sec. 27. Accreditation may be revoked by the commission:

(1) for cause upon notice and an opportunity for a commission hearing; and

(2) for the accredited postsecondary proprietary educational institution failing to make the appropriate quarterly contributions to the fund not later than forty-five (45) days after the end of a quarter.

Sec. 28. (a) A postsecondary proprietary educational institution, after notification that the institution's accreditation has been refused, revoked, or suspended, may apply for a hearing before the commission concerning the institution's qualifications. The

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application for a hearing must be filed in writing with the commission not more than thirty (30) days after receipt of notice of the denial, revocation, or suspension.

(b) The commission shall give a hearing promptly and with not less than ten (10) days notice of the date, time, and place. The postsecondary proprietary educational institution is entitled to be represented by counsel and to offer oral and documentary evidence relevant to the issue.

(c) The commission shall not more than fifteen (15) days after a hearing make written findings of fact, a written decision, and a written order based solely on the evidence submitted at the hearing, either granting or denying accreditation to the postsecondary proprietary educational institution.

Sec. 29. A postsecondary proprietary educational institution's accreditation shall be suspended at any time if the accredited postsecondary proprietary educational institution denies enrollment to a student or makes a distinction or classification of students on the basis of race, color, or creed.

Sec. 30. A person may not do the following:

(1) Make, or cause to be made, a statement or representation, oral, written, or visual, in connection with the offering or publicizing of a course, if the person knows or should reasonably know the statement or representation is false, deceptive, substantially inaccurate, or misleading.

(2) Promise or guarantee employment to a student or prospective student using information, training, or skill purported to be provided or otherwise enhanced by a course, unless the person offers the student or prospective student a bona fide contract of employment agreeing to employ the student or prospective student for a period of not less than ninety (90) days in a business or other enterprise regularly conducted by the person in which that information, training, or skill is a normal condition of employment.

(3) Do an act that constitutes part of the conduct of administration of a course if the person knows, or should reasonably know, that the course is being carried on by the use of fraud, deception, or other misrepresentation.

Sec. 31. (a) A person representing a postsecondary proprietary educational institution doing business in Indiana by offering courses may not sell a course or solicit students for the institution unless the person first secures an agent's permit from the commission. If the agent represents more than one (1)

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postsecondary proprietary educational institution, a separate agent's permit must be obtained for each institution that the agent represents.

(b) Upon approval of an agent's permit, the commission shall issue a pocket card to the person that includes:

(1) the person's name and address;

(2) the name and address of the postsecondary proprietary educational institution that the person represents; and

(3) a statement certifying that the person whose name appears on the card is an authorized agent of the postsecondary proprietary educational institution.

(c) The application must be accompanied by a fee of not less than ten dollars ($10).

(d) An agent's permit is valid for one (1) year from the date of its issue. An application for renewal must be accompanied by a fee of not less than ten dollars ($10).

(e) A postsecondary proprietary educational institution is liable for the actions of the institution's agents.

Sec. 32. (a) An application for an agent's permit must be granted or denied by the commission not more than fifteen (15) working days after the receipt of the application. If the commission has not completed a determination with respect to the issuance of a permit under this section within the fifteen (15) working day period, the commission shall issue a temporary permit to the applicant. The temporary permit is sufficient to meet the requirements of this chapter until a determination is made on the application.

(b) A permit issued under this chapter may upon ten (10) days notice and after a hearing be revoked by the commission:

(1) if the holder of the permit solicits or enrolls students through fraud, deception, or misrepresentation; or

(2) upon a finding that the permit holder is not of good moral character.

Sec. 33. The fact that a bond is in force or that the fund exists does not limit or impair a right of recovery and the amount of damages or other relief to which a plaintiff may be entitled.

Sec. 34. An obligation, negotiable or nonnegotiable, providing for payment for a course or courses of instruction is void if the postsecondary proprietary educational institution is not accredited to operate in Indiana.

Sec. 35. The issuance of an agent's permit or any accreditation may not be considered to constitute approval of a course, a person,

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or an institution. A representation to the contrary is a misrepresentation.

Sec. 36. (a) This section applies to claims against the surety bond of a postsecondary proprietary educational institution.

(b) A student who believes that the student is suffering loss or damage resulting from any of the occurrences described in section 17(c) of this chapter may request the commission to file a claim against the surety of the postsecondary proprietary educational institution or agent.

(c) The request must state the grounds for the claim and must include material substantiating the claim.

(d) The commission shall investigate all claims submitted to the commission and attempt to resolve the claims informally. If a claim is determined to be valid by the commission and an informal resolution cannot be made, the commission shall submit a formal claim to the surety.

(e) A claim against the surety bond may not be filed by the commission unless the student's request under subsection (b) is commenced not more than five (5) years after the date on which the loss or damage occurred.

(f) If the amount of the surety bond is insufficient to cover all or part of the claim, a claim or the balance of the claim against the surety bond in the amount that is insufficient shall be construed to be a claim against the balance of the fund under section 37 of this chapter.

Sec. 37. (a) This section applies:

(1) to claims against the balance of the fund; and

(2) in cases where a student or an enrollee of a postsecondary proprietary educational institution is protected by both a surety bond and the balance of the fund, only after a claim against the surety bond exceeds the amount of the surety bond.

(b) A student or an enrollee of a postsecondary proprietary educational institution who believes that the student or enrollee has suffered loss or damage resulting from any of the occurrences described in section 17(c) of this chapter may request the commission to file a claim with the commission against the balance of the fund. If there is a surety bond in an amount sufficient to cover a claim or part of a claim under this section, a claim against the balance of the fund shall be construed to be a claim against the surety bond first to the extent that the amount of the surety bond exists and the balance of the claim may be filed against the balance

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of the fund.

(c) A claim under this section is limited to a refund of the claimant's applicable tuition and fees.

(d) All claims must be filed not later than five (5) years after the occurrence resulting in the loss or damage to the claimant occurs.

(e) Upon the filing of a claim under this section, the commission shall review the records submitted by the appropriate postsecondary proprietary educational institution described under section 24 of this chapter and shall investigate the claim and attempt to resolve the claim as described in section 36(d) of this chapter.

(f) Upon a determination by the commission that a claimant shall be reimbursed under the fund, the commission shall prioritize the reimbursements under the following guidelines:

(1) A student's educational loan balances.

(2) Federal grant repayment obligations of the student.

(3) Other expenses paid directly by the student.

Sec. 38. The prosecuting attorney of the county in which the offense occurred shall, at the request of the commission or on the prosecuting attorney's own motion, bring any appropriate action, including a mandatory and prohibitive injunction.

Sec. 39. An action of the commission concerning the issuance, denial, or revocation of a permit or accreditation under this chapter is subject to review under IC 4-21.5.

Sec. 40. (a) Except as provided in subsection (b), a person who violates this chapter commits a Class B misdemeanor.

(b) A person who, with intent to defraud, represents the person to be an agent of a postsecondary proprietary educational institution commits a Class C felony.

Sec. 41. All fees collected by the commission shall be deposited in the state general fund.

SECTION 35. IC 21-1-31 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

Chapter 31. School Technology Advancement Account

Sec. 1. As used in this chapter, "advancement account" refers to the school technology advancement account established by section 4 of this chapter.

Sec. 2. As used in this chapter, "board" refers to the Indiana state board of education established by IC 20-19-2-2.

Sec. 3. As used in this chapter, "school corporation" means a corporation authorized by law to establish public schools and levy

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taxes.

Sec. 4. (a) The school technology advancement account is established within the common school fund. On July 1 of each year, there is appropriated to the account:

(1) five million dollars ($5,000,000); minus

(2) the amount of money in the account on June 30 of the same year.

(b) Advancements of money from the advancement account may be made to a school corporation to:

(1) purchase computer hardware and software used primarily for student instruction; and

(2) develop and implement innovative technology projects.

(c) Money must be advanced under this section in accordance with IC 21-1-5-5, IC 21-1-5-7, and IC 21-1-5-8.

Sec. 5. The board shall adopt rules under IC 4-22-2 concerning:

(1) the criteria and priorities for awarding grants and advancements under this chapter;

(2) the terms and conditions of advancements made under this chapter; and

(3) any additional matters necessary for the implementation of this chapter.

SECTION 36. IC 21-1-32 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

Chapter 32. Charter School Advancement Account

Sec. 1. As used in this chapter, "board" refers to the Indiana state board of education established by IC 20-19-2-2.

Sec. 2. As used in this chapter, "charter school" refers to a school established under IC 20-24.

Sec. 3. As used in this chapter, "department" refers to the department of education established by IC 20-19-3-1.

Sec. 4. As used in this chapter, "operational costs" means costs other than construction costs incurred by:

(1) a charter school other than a conversion charter school during the second six (6) months of the calendar year in which the charter school begins its initial operation; or

(2) a charter school, including a conversion charter school, during the second six (6) months of a calendar year in which the charter school's most recent enrollment reported under IC 20-24-7-2(a) divided by the charter school's previous year's ADM is at least one and fifteen-hundredths (1.15).

Sec. 5. The charter school advancement account is established

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within the common school fund.

Sec. 6. The board shall advance money to charter schools from the charter school advancement account to be used for operational costs.

Sec. 7. (a) The amount of an advance under section 6 of this chapter for operational costs described in section 4(1) of this chapter may not exceed the amount determined under STEP THREE of the following formula:

STEP ONE: Determine the product of:

(A) the charter school's enrollment reported under IC 20-24-7-2(a); multiplied by

(B) the target revenue per ADM determined under IC 21-3-1.7-6.7(d) or IC 21-3-1.7-6.7(e) for the charter school.

STEP TWO: Determine the quotient of:

(A) the STEP ONE amount; divided by

(B) two (2).

STEP THREE: Determine the product of:

(A) the STEP TWO amount; multiplied by

(B) one and fifteen-hundredths (1.15).

(b) The amount of an advance under section 6 of this chapter for operational costs described in section 4(2) of this chapter may not exceed the amount determined under STEP FOUR of the following formula:

STEP ONE: Determine the quotient of:

(A) the target revenue per ADM determined under IC 21-3-1.7-6.7(d) or IC 21-3-1.7-6.7(e) for the charter school; divided by

(B) two (2).

STEP TWO: Determine the difference between:

(A) the charter school's current ADM; minus

(B) the charter school's ADM of the previous year.

STEP THREE: Determine the product of:

(A) the STEP ONE amount; multiplied by

(B) the STEP TWO amount.

STEP FOUR: Determine the product of:

(A) the STEP THREE amount; multiplied by

(B) one and fifteen-hundredths (1.15).

Sec. 8. (a) Money advanced to a charter school under this chapter may be advanced for a period not to exceed twenty (20) years. A charter school to which money is advanced under this chapter must pay interest on the advance at the rate determined

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under section 9 of this chapter. The board shall provide that the advances are prepayable by the charter school or by the general assembly at any time.

(b) This subsection applies if the general assembly prepays an advance under this chapter. A prepayment under this subsection must be deducted from the amount appropriated for distributions under IC 21-3-1.7.

(c) The board, after consulting with the department and upon approval of the budget agency, shall establish the terms of an advance before the date on which the advance is made. The terms must include a provision allowing the state to withhold funds due to a charter school to which an advance is made until the advance, including interest accrued on the advance, is paid.

Sec. 9. The state board of finance shall establish periodically the rate of interest payable on advances under this chapter. An interest rate established under this section may not:

(1) be less than one percent (1%); or

(2) exceed four percent (4%).

Sec. 10. (a) To ensure timely payment of an advance under this chapter according to the terms of the advance, the state may withhold from funds due to the charter school to which the advance is made an amount necessary to pay the advance and the interest on the advance.

(b) If the state withholds funds under subsection (a), the state first shall withhold funds from the distribution of state tuition support to the charter school to which the advance is made. If the tuition support distribution is unavailable or inadequate, the state may withhold funds from any other distribution of state funds to the charter school.

Sec. 11. A charter school that desires to obtain an advance under this chapter must submit an application to the board on a form prescribed by the board after the board consults with the department and the budget agency to determine the amount of the advance, as required by section 8(c) of this chapter.

Sec. 12. (a) An advance under this chapter to a charter school is not an obligation of the charter school within the meaning of a constitutional limitation on or prohibition against indebtedness. This chapter does not relieve the organizer of the charter school of the duty to qualify the charter school for state tuition support.

(b) An agreement with the board to collect and pay over amounts deducted from state tuition support for the benefit of another party is not a debt of the state within the meaning of a

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constitutional limitation on or prohibition against state indebtedness.

Sec. 13. Priority of advances for operational costs must be on a basis determined by the board after consulting with the department and the budget agency.

SECTION 37. IC 21-2-19 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

Chapter 19. Self-Insurance Programs

Sec. 1. As used in this chapter, "health care services" has the meaning set forth in IC 27-8-11-1.

Sec. 2. As used in this chapter, "self-insurance program" means a program of self-insurance established or maintained by a governing body to provide coverage for health care services to a school corporation's employees and the employees' dependents.

Sec. 3. Subject to IC 20-26-5-4(15) and IC 21-2-5.6 and notwithstanding any other law, a self-insurance program must comply with this chapter.

Sec. 4. (a) A self-insurance program must provide for appeals to a review panel to:

(1) hear complaints; and

(2) resolve concerns;

regarding issues related to coverage, coverage discrimination, and access under the self-insurance program.

(b) The composition of the review panel under subsection (a):

(1) must reflect the populations covered under the self-insurance program;

(2) may include a member representative of each covered population; and

(3) must maintain a balance of administration and nonadministration members.

(c) Self-insurance program documents provided to individuals covered under the self-insurance program must specify the appeal process, including the name, address, and telephone number of the individual with whom an appeal may be filed.

Sec. 5. (a) A self-insurance program must be written on an incurred claims basis.

(b) The governing body must fund a self-insurance program as described in IC 21-2-5.6-1(2) to include coverage for all eligible incurred claims.

(c) Subject to IC 21-2-5.6 and notwithstanding any other law:

(1) contributions made on behalf of individuals covered under

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the self-insurance program, including employee and employer contributions; and

(2) transfers or allocations of funds by a governing body;

for coverage for health care services under a self-insurance program must be directly deposited into the self-insurance fund established under IC 21-2-5.6-1(2) and may not be transferred to other accounts or expended for any other purpose.

SECTION 38. IC 21-2-20 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

Chapter 20. Funding of Retirement or Severance Plan

Sec. 1. This chapter applies to a school corporation that:

(1) after June 30, 2001, establishes a retirement or severance plan that will require the school corporation to pay post-retirement or severance benefits to employees of the school corporation; or

(2) includes in a collective bargaining agreement or other contract entered into after June 30, 2001, a provision to increase:

(A) the benefit; or

(B) the unfunded liability;

under a retirement or severance provision that will require the school corporation to pay post-retirement or severance benefits to employees of the school corporation.

Sec. 2. (a) A school corporation must fund on an actuarially sound basis the post-retirement or severance benefits that will be paid to employees under a plan, an agreement, or a contract described in section 1(1) of this chapter or an increase described in section 1(2) of this chapter.

(b) A school corporation must place the assets used to fund on an actuarially sound basis the post-retirement or severance benefits in a separate fund or account, and the school corporation may not commingle the assets in the separate fund or account with any other assets of the school corporation.

SECTION 39. IC 21-2-21 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

Chapter 21. Borrowing and Bonds

Sec. 1. (a) For purposes of this section, "improvement of real estate" includes:

(1) construction, reconstruction, remodeling, alteration, or repair of buildings, or additions to buildings;

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(2) equipment related to activities specified in subdivision (1); and

(3) auxiliary facilities related to activities specified in subdivision (1), including facilities for:

(A) furnishing water, gas, and electricity;

(B) carrying and disposing of sewage and storm and surface water drainage;

(C) housing of school owned buses;

(D) landscaping of grounds; and

(E) construction of walks, drives, parking areas, playgrounds, or facilities for physical training.

(b) A school corporation is authorized to issue bonds to pay the:

(1) cost of acquisition and improvement of real estate for school purposes;

(2) funding of judgments;

(3) cost of the purchase of school buses; and

(4) incidental expenses incurred in connection with and on account of the issuance of the bonds.

Sec. 2. (a) Bonds authorized by this chapter and IC 20-26-1 through IC 20-26-5 must be payable in amounts and at the times and places determined by the governing body.

(b) Bonds issued for the funding of judgments or for the purchase of school buses shall mature not more than five (5) years from the date of the bonds. Bonds issued for other purposes must mature not more than twenty-five (25) years from the date of the bonds.

(c) The governing body may provide that principal and interest of the bonds are payable at a bank in Indiana and may also be payable at the option of the holder at another bank designated by the governing body, either before or after sale.

(d) The governing body may pay the fees of the bank paying agent and shall deposit with the paying agent, if any, within a reasonable period before the date that principal and interest become due sufficient money for the payment of the principal and interest on the due date.

Sec. 3. Bonds issued by a school corporation must be sold at:

(1) not less than par value;

(2) public sale as provided by IC 5-1-11; and

(3) any rate or rates of interest determined by the bidding.

If the net interest cost exceeds eight percent (8%) per year, the bonds must not be issued until the issuance is approved by the department of local government finance.

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Sec. 4. (a) Bonds shall be executed in the name and on behalf of the school corporation by the president and secretary of the governing body. One (1) of the signatures may be by facsimile imprinted on a bond instrument, but at least one (1) of the signatures shall be manually affixed. The secretary of the governing body shall cause the seal of the school corporation to be impressed or a facsimile of the seal printed on each bond. Interest coupons, if any, shall be executed by the facsimile signature of the treasurer of the governing board.

(b) If the president, secretary, or treasurer of the governing body ceases to be the president, secretary, or treasurer for any reason after the officer has executed bonds under this section but before the bonds have been delivered to the purchaser or purchasers of the bonds, the bonds are binding and valid obligations as if the officer were in office at the time of delivery. The treasurer of the governing body shall cause the bonds to be delivered to the purchaser or purchasers and shall receive payment for the bonds.

Sec. 5. (a) The governing body shall provide for the payment of principal and interest of bonds executed under section 4 of this chapter by levying annually a tax that is sufficient to pay the principal and interest as the bonds become due.

(b) The bodies charged with the review of budgets and tax levies shall review a levy for principal and interest described in subsection (a) to ascertain whether the levy is sufficient.

Sec. 6. (a) This section apples if a governing body finds by written resolution that an emergency exists that requires the expenditure of money for a lawful corporate purpose that was not included in the school corporation's existing budget and tax levy.

(b) If a governing body makes a finding specified in subsection (a), the governing body may authorize the making of an emergency loan that may be evidenced by the issuance of the school corporation's note in the same manner and subject to the same procedure and restrictions as provided for the issuance of the school corporation's bonds, except as to purpose.

(c) If a governing body authorizes an emergency loan as specified in subsection (b), the governing body shall, at the time for making the next annual budget and tax levy for the school corporation, make a levy to the credit of the fund for which the expenditure is made sufficient to pay the debt and the interest on the debt. However, the interest on the loan may be paid from the debt service fund.

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Sec. 7. The provisions of all general statutes and rules relating to:

(1) filing petitions requesting the issuance of bonds and giving notice of the issuance of bonds;

(2) giving notice of determination to issue bonds;

(3) giving notice of a hearing on the appropriation of the proceeds of the bonds and the right of taxpayers to appear and be heard on the proposed appropriation;

(4) the approval of the appropriation by the department of local government finance; and

(5) the right of taxpayers to remonstrate against the issuance of bonds;

apply to proceedings for the issuance of bonds and the making of an emergency loan under this chapter and IC 20-26-1 through IC 20-26-5. An action to contest the validity of the bonds or emergency loans may not be brought later than five (5) days after the acceptance of a bid for the sale of the bonds.

Sec. 8. (a) If the governing body of a school corporation finds and declares that an emergency exists for the borrowing of money with which to pay current expenses from a particular fund before the receipt of revenues from taxes levied or state tuition support distributions for the fund, the governing body may issue warrants in anticipation of the receipt of the revenues.

(b) The principal of warrants issued under subsection (a) is payable solely from the fund for which the taxes are levied or from the school corporation's general fund in the case of anticipated state tuition support distributions. However, the interest on the warrants may be paid from the debt service fund, from the fund for which the taxes are levied, or the general fund in the case of anticipated state tuition support distributions.

(c) The amount of principal of temporary loans maturing on or before June 30 for any fund may not exceed eighty percent (80%) of the amount of taxes and state tuition support distributions estimated to be collected or received for and distributed to the fund at the June settlement.

(d) The amount of principal of temporary loans maturing after June 30 and on or before December 31 may not exceed eighty percent (80%) of the amount of taxes and state tuition support distributions estimated to be collected or received for and distributed to the fund at the December settlement.

(e) At each settlement, the amount of taxes and state tuition support distributions estimated to be collected or received for and

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distributed to the fund includes allocations to the fund from the property tax replacement fund.

(f) The county auditor or the auditor's deputy shall determine the estimated amount of taxes and state tuition support distributions to be collected or received and distributed. The warrants evidencing a loan in anticipation of tax revenue or state tuition support distributions may not be delivered to the purchaser of the warrant nor payment made on the warrant before January 1 of the year the loan is to be repaid. However, the proceedings necessary for the loan may be held and carried out before January 1 and before the approval. The loan may be made even though a part of the last preceding June or December settlement has not yet been received.

(g) Proceedings for the issuance and sale of warrants for more than one (1) fund may be combined. Separate warrants for each fund must be issued and each warrant must state on the face of the warrant the fund from which the warrant's principal is payable. An action to contest the validity of a warrant may not be brought later than fifteen (15) days from the first publication of notice of sale.

(h) An issue of tax or state tuition support anticipation warrants may not be made if the total of all tax or state tuition support anticipation warrants exceeds twenty thousand dollars ($20,000) until the issuance is advertised for sale, bids are received, and an award is made by the governing body as required for the sale of bonds, except that the publication of notice of the sale is not necessary:

(1) outside the county; or

(2) more than ten (10) days before the date of sale.

Sec. 9. Temporary transfers of funds by a school corporation may be made as authorized under IC 36-1-8-4.

Sec. 10. (a) As used in this section, "debt service obligations" refers to the principal and interest payable during a calendar year on a school corporation's general obligation bonds and lease rentals under IC 21-5-11 and IC 21-5-12.

(b) Before the end of each calendar year, the department of local government finance shall review the bond and lease rental levies, or any levies that replace bond and lease rental levies, of each school corporation that are payable in the next succeeding year and the appropriations from the levies from which the school corporation is to pay the amount, if any, of the school corporation's debt service obligations. If the levies and appropriations of the

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school corporation are not sufficient to pay the debt service obligations, the department of local government finance shall establish for each school corporation:

(1) bond or lease rental levies, or any levies that replace the bond and lease rental levies; and

(2) appropriations;

that are sufficient to pay the debt service obligations.

(c) Upon the failure of a school corporation to pay any of the school corporation's debt service obligations during a calendar year when due, the treasurer of state, upon being notified of the failure by a claimant, shall pay the unpaid debt service obligations that are due from the funds of the state only to the extent of the amounts appropriated by the general assembly for the calendar year for distribution to the school corporation from state funds, deducting the payment from the appropriated amounts. A deduction under this subsection must be made first from property tax relief funds to the extent of the property tax relief funds, second from all other funds except tuition support, and third from tuition support.

(d) This section shall be interpreted liberally so that the state shall to the extent legally valid ensure that the debt service obligations of each school corporation are paid. However, this section does not create a debt of the state.

SECTION 40. IC 22-4.1-10 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

Chapter 10. Office of Workforce Literacy

Sec. 1. The governor shall establish an office of workforce literacy within the department to:

(1) oversee the development of workforce literacy programs in Indiana;

(2) target available funds for workforce basic skill improvement programs;

(3) develop methods for motivating adults and employers in workforce literacy and basic skill improvement; and

(4) provide a clearinghouse of information pertaining to workforce literacy.

Sec. 2. The office of workforce literacy has the following duties:

(1) Develop certain performance standards as the standards relate to workforce literacy initiatives.

(2) Develop a common data base, reporting system, and evaluation system relating to basic skills programs.

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(3) Establish an application process for basic skills training providers that emphasizes performance based outcomes.

SECTION 41. IC 22-4.1-11 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

Chapter 11. Adult Literacy Programs

Sec. 1. As used in this chapter, "eligible entity" means a nonprofit organization that has been approved by the department.

Sec. 2. As used in this chapter, "program" refers to the adult literacy program established by section 3 of this chapter.

Sec. 3. The adult literacy program is established to provide financial assistance to private industry councils to provide adult literacy programs. The program shall be administered by the department.

Sec. 4. (a) To receive funding under this chapter, a private industry council shall apply for funding as prescribed by the department in the department's annual job training plan.

(b) The following information must be included in the plan:

(1) The nature of the adult literacy program being proposed.

(2) The number of adults being served under the program, including adults who have graduated from high school but who demonstrate a deficiency in reading and writing skills.

(3) The number of instructors, students, or volunteers who participate in the program.

(4) The amount of money requested to administer the program.

(5) Other information required by the department.

Sec. 5. The department shall develop guidelines to implement this chapter.

SECTION 42. IC 22-4.1-12 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

Chapter 12. Indiana Education Employment Program

Sec. 1. As used in this chapter, "eligible student" means:

(1) a student who is:

(A) enrolled in a public high school as a senior;

(B) at risk of withdrawing from school before graduation; and

(C) at risk under the criteria for determining at risk students under IC 21-3-1.6-1.1; or

(2) a student who is enrolled in the final year of a special education program.

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Sec. 2. As used in this chapter, "job specialist" means a person employed by the school corporation who:

(1) has knowledge in job placement counseling;

(2) has tutoring skills; and

(3) meets the criteria established by the department to act as a job specialist.

Sec. 3. As used in this chapter, "program" refers to the Indiana education employment program established under section 4 of this chapter.

Sec. 4. (a) The department shall establish the Indiana education employment program to:

(1) assist eligible students to successfully make the transition from school to the work or employment setting; and

(2) provide financial assistance to private industry councils (as defined in 29 U.S.C. 1501 et seq.) to involve school corporations that agree to jointly participate in the program.

(b) The goals of the program are as follows:

(1) Prevent withdrawal from school before graduation.

(2) Attain high school graduation.

(3) Receive job placement assistance.

(4) Receive follow-up services for one (1) year after job placement.

(5) Receive recognition in the form of a pay raise or promotion within one (1) year of employment.

Sec. 5. Each job specialist has the following duties:

(1) Meet with each participating eligible student:

(A) to provide tutoring services;

(B) for counseling; or

(C) for other student services required under the program.

(2) Actively seek employment positions for the participating eligible student in fields that are consistent with the student's abilities and strengths.

(3) Keep accurate and complete records of all student services offered and the results attained.

Sec. 6. Each participating eligible student shall participate in an after school organization formed particularly for all eligible students participating in the program.

Sec. 7. (a) The department shall adopt rules, under IC 4-22-2 to implement this chapter.

(b) The department shall develop guidelines necessary to implement the program, including guidelines governing the qualifications required of a job specialist.

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SECTION 43. IC 22-4.1-13 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

Chapter 13. Indiana Commission on Vocational and Technical Education

Sec. 1. As used in this chapter, "commission" refers to the Indiana commission on vocational and technical education of the department established by section 6 of this chapter.

Sec. 2. As used in this chapter, "council" refers to the state human resource investment council established by IC 22-4-18.1-3.

Sec. 3. As used in this chapter, "employment training" means all programs administered by the following:

(1) The council.

(2) The Indiana jobs training program.

(3) The department.

(4) A private industry council (as defined in 29 U.S.C. 1501 et seq.).

Sec. 4. As used in this chapter, "state educational institution" has the meaning set forth in IC 20-12-0.5-1.

Sec. 5. As used in this chapter, "vocational education" means any vocational, agricultural, occupational, manpower, employment, or technical training or retraining that:

(1) enhances an individual's career potential and further education; and

(2) is accessible to individuals who desire to explore and learn for economic and personal growth leading to employment opportunities.

Sec. 6. (a) The Indiana commission on vocational and technical education is established within the department.

(b) The commission consists of eleven (11) citizens of Indiana who are appointed by the governor. Except as provided in subsection (c), a member:

(1) may not be an officer or employee of a state educational institution or a school corporation;

(2) may not be a state employee;

(3) may not be a member of the council; and

(4) must be generally knowledgeable in the fields of business, industry, labor, agriculture, commerce, education, or vocational education.

(c) Notwithstanding subsection (b):

(1) one (1) member must be a representative of the council or a private industry council;

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(2) one (1) member must be an officer or employee of a state educational institution; and

(3) one (1) member must be an officer or employee of a school corporation.

(d) Each Indiana congressional district must be represented by at least one (1) member who resides in that district.

Sec. 7. Appointments to the commission are for four (4) year terms. The governor shall promptly make appointments to fill vacancies for the duration of unexpired terms in the same manner as the original appointments.

Sec. 8. (a) The commission shall elect from the commission's membership a chairperson and vice chairperson and other necessary officers.

(b) Each member of the commission is entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). Each member is also entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

Sec. 9. (a) The commission shall develop and implement a long range state plan for a comprehensive vocational education program in Indiana.

(b) The plan developed under this section shall be kept current. The plan and any revisions made to the plan shall be made available to:

(1) the governor;

(2) the general assembly;

(3) the Indiana state board of education;

(4) the department of education;

(5) the commission for higher education;

(6) the council;

(7) the Indiana commission on proprietary education; and

(8) any other appropriate state or federal agency.

A plan or revised plan submitted under this section to the general assembly must be in an electronic format under IC 5-14-6.

(c) The plan must set forth specific goals for public vocational education at all levels and must include the following:

(1) The preparation of each graduate for both employment and further education.

(2) Accessibility of vocational education to individuals of all ages who desire to explore and learn for economic and

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personal growth.

(3) Projected employment opportunities in various vocational and technical fields.

(4) A study of the supply of and the demand for a labor force skilled in particular vocational and technical areas.

(5) A study of technological and economic change affecting Indiana.

(6) An analysis of the private vocational education sector in Indiana.

(7) Recommendations for improvement in the state vocational education program.

(8) The educational levels expected of vocational education programs proposed to meet the projected employment needs.

Sec. 10. The commission shall do the following:

(1) Make recommendations to the general assembly concerning the development, duplication, and accessibility of employment training and vocational education on a regional and statewide basis.

(2) Consult with any state agency, commission, or organization that supervises or administers programs of vocational education concerning the coordination of vocational education, including the following:

(A) The Indiana economic development corporation.

(B) The council.

(C) A private industry council (as defined in 29 U.S.C. 1501 et seq.).

(D) The department of labor.

(E) The Indiana commission on proprietary education.

(F) The commission for higher education.

(G) The Indiana state board of education.

(3) Review and make recommendations concerning plans submitted by the Indiana state board of education and the commission for higher education. The commission may request the resubmission of plans or parts of plans that:

(A) are not consistent with the long range state plan of the commission;

(B) are incompatible with other plans within the system; or

(C) do not avoid duplication of existing services.

(4) Report to the general assembly on the commission's conclusions and recommendations concerning interagency cooperation, coordination, and articulation of vocational education and employment training. A report under this

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subdivision must be in an electronic format under IC 5-14-6.

(5) Study and develop a plan concerning the transition between secondary level vocational education and postsecondary level vocational education.

(6) Enter into agreements with the federal government that may be required as a condition of receiving federal funds under the Vocational Education Act (20 U.S.C. 2301 et seq.). An agreement entered into under this subdivision is subject to the approval of the budget agency.

Sec. 11. The commission may do the following:

(1) Make recommendations, including recommendations for policies to encourage involvement of minority groups in the vocational education system in Indiana, to:

(A) the governor;

(B) the general assembly; and

(C) the various agencies, commissions, or organizations that administer vocational education programs concerning all facets of vocational education programming.

(2) Establish a regional planning and coordination system for vocational education and employment training that will, either in whole or in part, serve vocational education and employment training in Indiana.

(3) Appoint advisory committees whenever necessary.

(4) Contract for services necessary to carry out this chapter.

(5) Provide information and advice on vocational education to a business, an industry, or a labor organization operating a job training program in the private sector.

Sec. 12. The commission shall adopt statewide systems or policies concerning the following as the systems or policies relate to the implementation of vocational and technical education programs:

(1) Student records.

(2) Data processing at the secondary level.

(3) An evaluation system that must be conducted by the commission at least annually and that evaluates the following as each relates to the vocational and technical education programs and courses offered at the secondary level and postsecondary level:

(A) Graduation rates.

(B) Student placement rates.

(C) Retention rates.

(D) Enrollment.

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(E) Student transfer rates to postsecondary educational institutions.

(F) When applicable, student performance on state licensing examinations or other external certification examinations.

(G) Cost data study.

(4) A system of financial audits to be conducted at least biennially at the secondary level.

Sec. 13. (a) The commission shall establish vocational education evaluation criteria.

(b) Using the criteria established under subsection (a), the commission shall evaluate the effectiveness of vocational education relative to the goals of the long range plan developed under section 9 of this chapter.

Sec. 14. (a) Except as provided in subsection (c), the commission shall receive, distribute, and maintain accountability for all federal funds available for vocational education under 20 U.S.C. 2301 et seq.

(b) Except as provided in subsection (c), the commission shall distribute and maintain accountability for all federal funds available for vocational education under 29 U.S.C. 1533.

(c) The commission may not expend or distribute federal funds available under 20 U.S.C. 2301 et seq. or 29 U.S.C. 1533 if those funds have not been allocated by the general assembly.

Sec. 15. (a) The department shall review the legislative budget requests for vocational education prepared by the following:

(1) The department of education.

(2) The state educational institutions.

(b) After the review under subsection (a), the department shall make recommendations to the budget committee concerning the appropriation of state funds and the allocation of federal funds for vocational education, including federal funds available under 20 U.S.C. 2301 et seq. and 29 U.S.C. 1533. The department's recommendations concerning appropriations and allocations for vocational education by secondary schools and state educational institutions must specify:

(1) the minimum funding levels required by 20 U.S.C. 2301 et seq. and 29 U.S.C. 1533;

(2) the categories of expenditures and the distribution plan or formula for secondary schools; and

(3) the categories of expenditures for each state educational institution.

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(c) After reviewing the department's recommendations and each agency's budget request, the budget committee shall make recommendations to the general assembly for funding to implement vocational education. The general assembly shall biennially appropriate state funds for vocational education and allocate federal funds available under 20 U.S.C. 2301 et seq. and 29 U.S.C. 1533 for vocational education. At least sixty percent (60%) of the federal funds available under 20 U.S.C. 2301 et seq. shall be allocated to secondary level vocational education to implement the long range state plan developed under section 9 of this chapter.

(d) The budget agency, with the advice of the department and the budget committee, may augment or reduce an allocation of federal funds made under subsection (c).

Sec. 16. The commission may employ any staff necessary to perform the duties imposed by this chapter and fix the compensation and terms of that employment, subject to approval by the budget agency.

Sec. 17. The commission shall adopt rules under IC 4-22-2 to carry out the duties imposed by this chapter.

Sec. 18. The commission has no power relating to the management, operation, or financing of any state institution or agency except those specifically set forth in this chapter.

SECTION 44. IC 22-4.1-14 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

Chapter 14. Workforce Partnership Plans

Sec. 1. As used in this chapter, "institution" means:

(1) a campus of a state educational institution (as defined in IC 20-12-0.5-1);

(2) a school corporation; or

(3) an area vocational school;

as described in section 2 or 3 of this chapter.

Sec. 2. After receiving the endorsement of the faculty and subject to the guidelines developed under section 4 of this chapter, the chief administrator from each campus of a state educational institution that offers a technical education program must enter into a workforce partnership plan as described under this chapter with the superintendent of the school corporation and each area vocational director who oversees the secondary level technical education programs that are offered within the same geographic area as the particular campus.

Sec. 3. After the chief administrator receives an endorsement

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from the faculty and subject to the guidelines developed under section 4 of this chapter, the superintendent of each school corporation and area vocational director must enter into a workforce partnership plan as described under this chapter with the chief administrator from each campus of a state educational institution who oversees the postsecondary level technical education programs offered within the same geographic area as the school corporation and area vocational school.

Sec. 4. (a) The:

(1) state superintendent of public instruction;

(2) commissioner of the commission for higher education; and

(3) commissioner of the department;

shall jointly develop guidelines governing the development of the workforce partnership plans, including guidelines for the subjects described in subsection (b).

(b) The guidelines must include the following:

(1) A schedule for institutions to comply with this chapter.

(2) A format for the workforce partnership plans.

(3) The boundaries of the geographic areas described in sections 2 and 3 of this chapter.

(4) Any other pertinent matter.

Sec. 5. Notwithstanding any other law and after an institution is required to enter into a workforce partnership plan under this chapter, an institution's workforce partnership plan must be approved by the Indiana commission on vocational and technical education of the department for the institution to:

(1) be eligible to receive federal and state funds for the institution's vocational and technical education program at the secondary level and postsecondary level;

(2) receive vocational and technical education program approval by:

(A) the Indiana state board of education for secondary level programs; and

(B) the commission for higher education for postsecondary level programs;

for any vocational and technical education programs requiring approval; and

(3) be eligible to complete the program review process by the commission for higher education for postsecondary level vocational and technical education programs.

Sec. 6. Each workforce partnership plan must do the following:

(1) Address the need to maximize:

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(A) the use of vocational and technical education programs and services; and

(B) the articulation of vocational and technical education programs;

between the secondary level and postsecondary level.

(2) Identify vocational and technical education program groupings to coordinate vocational and technical education programs within a geographic area.

(3) Identify particular certificates of achievement under IC 20-32-3 and IC 20-12-1-10 and indicate the circumstances under which a state educational institution may elect to grant academic credit to a student who does the following:

(A) Acquires the particular certificate of achievement.

(B) Satisfies the standards for receipt of academic credit as determined by the state educational institution.

(4) Provide for the use of joint secondary level and postsecondary level faculty committees to organize vocational and technical education program articulation.

(5) Comply with 20 U.S.C. 2301 et seq.

Sec. 7. The Indiana state board of education and the commission for higher education may review and provide recommendations on each plan biennially.

SECTION 45. IC 22-4.1-15 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

Chapter 15. Building and Trades Advisory Committee

Sec. 1. The building and trades advisory committee is established to provide information, advice, and recommendations to the Indiana commission on vocational and technical education of the department with regard to technical education.

Sec. 2. The advisory committee consists of seven (7) members, all of whom are appointed by the governor, as follows:

(1) Two (2) members who are coordinators of jointly administered building trades training committees.

(2) Two (2) members who are instructors of jointly administered building trades training committees.

(3) One (1) member who is an administrator of a jointly administered building trades training committee.

(4) Two (2) members who are members of the public but who are knowledgeable in building trades training programs.

Sec. 3. The members of the advisory committee serve terms of four (4) years.

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Sec. 4. If a vacancy occurs before the expiration of a term, the governor shall appoint an interim member consistent with the vacating member's qualifications under section 2 of this chapter to serve for the balance of the unexpired term.

Sec. 5. (a) Members of the advisory committee are not entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b).

(b) A member is entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

SECTION 46. IC 22-4.1-16 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

Chapter 16. Vocational Technical Proficiency Panel

Sec. 1. As used in this chapter, "panel" refers to the workforce proficiency panel established by section 2 of this chapter within the department.

Sec. 2. The workforce proficiency panel is established within the department to oversee the development of technical proficiencies and the technical field certificates of achievement at the secondary level under IC 20-32-3 and the postsecondary level under IC 20-12-1-10. The panel consists of nine (9) members who:

(1) are appointed by the governor; and

(2) represent employers, employees, and educators.

Sec. 3. The term of a panel member is four (4) years.

Sec. 4. A vacancy on the panel shall be filled for the unexpired term in the same manner as the original appointment.

Sec. 5. (a) Except as provided in subsection (b), a member of the panel is not entitled to compensation for the member's services.

(b) A member is entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

Sec. 6. The panel members shall elect a chairperson and secretary from among the members.

Sec. 7. The panel shall meet upon the call of the chairperson.

Sec. 8. (a) The department is the lead agency for implementing this chapter.

(b) The department of education, the department, and the commission for higher education shall provide staff support to the

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panel.

Sec. 9. The duties of the panel include the following:

(1) To determine the essential and technical skills required to be effective in the various technical trades and professions.

(2) To determine the statewide technical proficiencies of major occupational areas considered to be necessary in the workforce.

(3) To review existing vocational and technical education programs at the secondary and postsecondary level to determine:

(A) whether these programs meet the essential skill and statewide technical proficiency standards determined by the panel; and

(B) whether there exists duplication in programs or deficiencies in program alternatives at any level.

(4) To improve technical proficiency based curricula for existing vocational programs.

(5) To make available to the pilot workplace learning programs developed by the panel required essential skills and technical proficiencies in the major occupational areas.

(6) To adopt the secondary level and postsecondary level technical certificate of achievement assessment instruments and standards under IC 20-32-3 and IC 20-12-1-10, respectively.

Sec. 10. (a) In addition to the duties set forth in section 9 of this chapter, the panel shall make recommendations concerning statewide technical proficiencies to the department of education and the commission for higher education.

(b) The Indiana state board of education shall establish a curriculum based on the recommendations under subsection (a).

(c) The commission for higher education shall incorporate the recommended statewide technical proficiencies into the commission's standards for program approval.

Sec. 11. The panel may establish committees to develop specific technical proficiencies.

Sec. 12. The panel shall submit a report before August 1 of each year to the governor, the general assembly, the Indiana state board of education, and the commission for higher education detailing the panel's work. A report submitted under this section to the general assembly must be in an electronic format under IC 5-14-6.

SECTION 47. IC 36-10-12 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE

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Chapter 12. Children's Museum in Marion County

Sec. 1. As used in this chapter, "board of school trustees" means the school board of an incorporated town.

Sec. 2. As used in this chapter, "children's museum" means a museum located in a county containing a consolidated city, if the museum is:

(1) incorporated under the Indiana law without stock and without purpose of gain to the museum's members; and

(2) organized to maintain in the county a permanent museum containing objects and items:

(A) of interest primarily to children; and

(B) for the encouragement and education of children.

Sec. 3. As used in this chapter, "incorporated town" means an incorporated town located in a county containing a consolidated city.

Sec. 4. As used in this chapter, "township" means a school township that is located in a county containing a consolidated city.

Sec. 5. As used in this chapter, "township board" means the township board of a township.

Sec. 6. As used in this chapter, "township trustee" means the duly elected trustee of the civil township in which a school township is located.

Sec. 7. (a) With the consent of the township board, the township trustee may provide financial assistance to a children's museum. The assistance shall be:

(1) paid from the funds of the school township;

(2) budgeted and appropriated as provided by law; and

(3) in an amount each year not to exceed the product of twenty-five cents ($0.25) multiplied by the average daily attendance of children enrolled in grades 1 through 8 in the public schools of the township as reported in the last preceding annual report to the state superintendent of public instruction.

(b) The assistance under subsection (a) is payable annually. The trustee and the township board may continue the assistance annually if the board of trustees or other governing body of the children's museum has accepted by resolution the provisions of this chapter and has filed a certified copy of the resolution with the township trustee of the township before the date of the first payment.

Sec. 8. (a) The board of school trustees of a town may provide

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financial assistance to a children's museum. The assistance shall be:

(1) paid from the funds of the school town; and

(2) in an amount each year not to exceed the product of twenty-five cents ($0.25) multiplied by the average daily attendance of children enrolled in grades 1 through 8 in the public schools of the town as reported in the last preceding annual report to the state superintendent of public instruction.

(b) The assistance under subsection (a) is payable annually. The board of school trustees may continue the assistance annually if the board of trustees or other governing body of the children's museum has accepted by resolution the provisions of this chapter and has filed a certified copy of the resolution with the board of school trustees before the date of the first payment.

Sec. 9. (a) A children's museum is not entitled to receive financial assistance under sections 7 and 8 of this chapter until the board of trustees or other governing body of the museum agrees with the township trustee or board of school trustees, by proper resolution, to do the following:

(1) To allow the county superintendent of schools of the county to attend all meetings of the board of trustees or other governing body of the children's museum so that the superintendent is advised as to the work done and proposed to be done by the children's museum.

(2) To allow the township trustees of a township or board of school trustees of a town furnishing financial assistance to the children's museum to nominate individuals eligible for membership on the board of trustees or other governing body of the museum. The children's museum must elect one (1) member from the list or lists of individuals nominated as a member of the board of trustees or other governing body of the children's museum. The member elected under this subdivision represents all townships and towns.

(3) To grant free admission to the children's museum and galleries to all students and teachers of a township or town that furnishes financial assistance to the children's museum.

(4) To allow the use, at reasonable times and in reasonable ways, of the plant, equipment, and facilities of the children's museum to educate the students of the township or town.

(5) To allow the use of the services of the personnel of the children's museum, at reasonable times and in reasonable

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ways, under the direction of the children's museum, if the services are consistent with the regular established duties of the personnel.

(6) To allow the loan of suitable and available objects and items from the children's museum's collection to a school of the township or town to aid and supplement the curriculum of the school.

(b) A copy of the resolution must be filed in the office of the township trustee or with the secretary of the board of school trustees before the children's museum receives financial assistance under this chapter.

Sec. 10. After a children's museum qualifies to receive financial assistance from a township or town under this chapter, the board of trustees or the governing body of the children's museum is not required to adopt new resolutions each year. Each original resolution continues and remains in full force and effect until the original resolution is revoked or rescinded by another resolution that is certified and filed under this chapter.

Sec. 11. A children's museum is entitled to receive the benefits provided under this chapter for as long as the board of trustees or governing body of the children's museum performs or is willing to perform the duties set forth in section 9 of this chapter.

SECTION 48. IC 36-10-13 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

Chapter 13. Cultural Institutions

Sec. 1. As used in this chapter, "art association" means a nonprofit corporation organized under Indiana law to:

(1) maintain a permanent art gallery; and

(2) promote education in the fine and industrial arts;

that owns, possesses, or maintains property for those purposes.

Sec. 2. As used in this chapter, "cultural institution" means a historical society, an art association, or other nonprofit corporation organized under Indiana law to further the cultural development of the public.

Sec. 3. As used in this chapter, "historical society" means a nonprofit corporation organized under Indiana law to:

(1) maintain a permanent historical museum; and

(2) promote a knowledge of local ancestral heritage and custom;

that owns, possesses, or maintains property for those purposes.

Sec. 4. (a) This section does not apply to a school corporation in

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a county having a population of more than two hundred thousand (200,000) but less than three hundred thousand (300,000).

(b) The governing body of a school corporation may annually appropriate, from the school corporation's general fund, a sum of not more than five-tenths of one cent ($0.005) on each one hundred dollars ($100) of assessed valuation in the school corporation to be paid to a historical society, subject to section 6 of this chapter.

Sec. 5. (a) This section applies only to a school corporation in a county having a population of more than two hundred thousand (200,000) but less than three hundred thousand (300,000).

(b) To provide funding for a historical society under this section, the governing body of a school corporation may impose a tax of not more than five-tenths of one cent ($0.005) on each one hundred dollars ($100) of assessed valuation in the school corporation.

(c) A tax under this section is not subject to the tax levy limitations imposed on the school corporation by IC 6-1.1-19-1.5 or IC 21-2-11-8.

(d) The school corporation shall deposit the proceeds of the tax in a fund to be known as the historical society fund. The historical society fund is separate and distinct from the school corporation's general fund and may be used only to provide funds for a historical society under this section.

(e) Subject to section 6 of this chapter, the governing body of the school corporation may annually appropriate the money in the fund to be paid in semiannual installments to a historical society having facilities in the county.

Sec. 6. Before a historical society may receive payments under sections 4 and 5 of this chapter, the historical society's governing board must adopt a resolution that entitles:

(1) the governing body of the school corporation to appoint the school corporation's superintendent and one (1) history teacher as visitors who may attend all meetings of the society's governing board;

(2) the governing body of the school corporation to nominate two (2) individuals for membership on the society's governing board;

(3) the school corporation to use the society's facilities and equipment for educational purposes consistent with the society's purposes;

(4) the students and teachers of the school corporation to tour the society's museum, if any, free of charge; and

(5) the school corporation to borrow artifacts from the

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society's collection, if any, for temporary exhibit in the schools.

Sec. 7. (a) This section applies to school corporations in a county containing a city having a population of:

(1) more than one hundred fifty thousand (150,000) but less than five hundred thousand (500,000);

(2) more than one hundred twenty thousand (120,000) but less than one hundred fifty thousand (150,000);

(3) more than ninety thousand (90,000) but less than one hundred five thousand (105,000);

(4) more than one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000); or

(5) more than seventy-five thousand (75,000) but less than ninety thousand (90,000).

(b) To provide funding for an art association under this section, the governing body of a school corporation may impose a tax of not more than five-tenths of one cent ($0.005) on each one hundred dollars ($100) of assessed valuation in the school corporation. The tax is not subject to the tax levy limitations imposed on the school corporation by IC 6-1.1-19-1.5 or IC 21-2-11-8.

(c) The school corporation shall deposit the proceeds of the tax imposed under subsection (b) in a fund to be known as the art association fund. The art association fund is separate and distinct from the school corporation's general fund and may be used only to provide funds for an art association under this section. The governing body of the school corporation may annually appropriate the money in the fund to be paid in semiannual installments to an art association having facilities in a city that is described in subsection (a), subject to subsection (d).

(d) Before an art association may receive payments under this section, the association's governing board must adopt a resolution that entitles:

(1) the governing body of the school corporation to appoint the school corporation's superintendent and director of art instruction as visitors who may attend all meetings of the association's governing board;

(2) the governing body of the school corporation to nominate individuals for membership on the association's governing board, with at least two (2) of the nominees to be elected;

(3) the school corporation to use the association's facilities and equipment for educational purposes consistent with the association's purposes;

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(4) the students and teachers of the school corporation to tour the association's museum and galleries free of charge;

(5) the school corporation to borrow materials from the association for temporary exhibit in the schools;

(6) the teachers of the school corporation to receive normal instruction in the fine and applied arts at half the regular rates charged by the association; and

(7) the school corporation to expect exhibits in the association's museum that will supplement the work of the students and teachers of the corporation.

A copy of the resolution, certified by the president and secretary of the association, must be filed in the office of the school corporation before payments may be received.

(e) A resolution filed under subsection (d) is not required to be renewed annually. The resolution continues in effect until rescinded. An art association that complies with this section is entitled to continue to receive payments under this section as long as the art association complies with the resolution.

(f) If more than one (1) art association in a city that is described in subsection (a) qualifies to receive payments under this section, the governing body of the school corporation shall select the one (1) art association best qualified to perform the services described in subsection (d). A school corporation may select only one (1) art association to receive payments under this section.

Sec. 8. (a) This section applies to school corporations in a county:

(1) containing a consolidated city; or

(2) having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000).

(b) Subject to subsection (c), the governing body of a school corporation may annually appropriate sums to be paid to cultural institutions that are reasonably commensurate with the educational and cultural contributions made by the institutions to the school corporation and the school corporation's students.

(c) Before a cultural institution may receive payments under this section, the president and secretary of the cultural institution must file with the school corporation an affidavit stating that the cultural institution meets the following requirements:

(1) The governing board has adopted a resolution that entitles a representative of the school corporation to attend and speak at all meetings of the governing body.

(2) The cultural institution:

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(A) admits the public to galleries, museums, and facilities at reasonable times and allows public use of those facilities free of charge; or

(B) provides alternative services free of charge to the public instead of admission to those facilities.

The governing body of the school corporation shall judge whether the alternative services are conducive to the education or cultural development of the public.

(3) The cultural institution has a permanent location in the municipality where the cultural institution conducts the cultural institution's principal educational or cultural purpose.

(4) The cultural institution has no general taxing authority.

The affidavit must be filed at least thirty (30) days before a request for an appropriation under this section.

(d) A cultural institution that complies with this section may continue to receive payments under this section as long as the school corporation appropriates sums for that purpose.

SECTION 49. IC 36-12 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

ARTICLE 12. LIBRARIES

Chapter 1. Definitions and General Provisions

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

Sec. 2. "Indiana library and historical board" refers to the Indiana library and historical board established by IC 4-23-7-2.

Sec. 3. "Library board" means the fiscal and administrative body of a public library.

Sec. 4. "Library district" means the territory within the corporate boundaries of a public library.

Sec. 5. "Public library" means a municipal corporation that:

(1) provides library services; and

(2) is organized under:

(A) IC 36-12-2;

(B) IC 36-12-4;

(C) IC 36-12-5;

(D) IC 36-12-6; or

(E) IC 36-12-7.

Sec. 6. "School board" means the governing body as set forth in IC 20-18-2-5.

Sec. 7. "School corporation" has the meaning set forth in

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IC 20-33-5-1.

Sec. 8. (a) The state shall encourage the establishment, maintenance, and development of public libraries throughout Indiana as part of the provision for public education of Indiana.

(b) Public libraries provide free library services for all individuals in order to meet the educational, informational, and recreational interests and needs of the public.

(c) Library services include:

(1) collecting and organizing books and other library materials; and

(2) providing reference, loan, and related services to library patrons.

(d) Library services are provided by public libraries supported by public funds.

Sec. 9. Public libraries are classified as either:

(1) Class 1 libraries, which comprise:

(A) all public libraries established after March 13, 1947; and

(B) all public libraries established before March 14, 1947, that have filed a resolution of conversion under section 10 of this chapter; or

(2) Class 2 public libraries, which comprise all public libraries established before March 14, 1947, that have not filed a resolution of conversion under section 10 of this chapter.

Sec. 10. (a) A Class 2 library may convert to Class 1 status if the Class 2 library board passes the following resolution of conversion:

"_____ Public Library, by action of its library board, resolves to convert to a Class 1 library district subject to IC 36-12-2.".

(b) The resolution of conversion:

(1) must describe the territory included in the library district; and

(2) is irrevocable.

(c) The resolution of conversion must be signed by a majority of library board members. Not later than five (5) days after approving the resolution of conversion, the library board shall file a copy of the resolution of conversion:

(1) in the office of the county recorder in the county where the administrative office of the public library is located; and

(2) with the Indiana state library.

(d) The library board shall give notice of the resolution of conversion to all officials who have appointive powers under

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IC 36-12-2.

(e) The officials under subsection (d) shall appoint a library board for the public library. Members of the old library board shall continue to serve as library board members until:

(1) a majority of the new library board has been appointed; and

(2) the new appointees have taken an oath of office to serve on the library board.

(f) Upon the:

(1) filing of the resolution of conversion;

(2) appointments under IC 36-12-2; and

(3) oath of office of the new library board under IC 36-12-2-19;

any current tax levies continue under authority granted to the Class 2 library until the next succeeding calendar year, at which time the tax provisions for Class 1 libraries under IC 36-12-3-12 apply.

(g) The obligation of a political subdivision to levy and collect taxes for library purposes remains effective after the conversion.

Sec. 11. (a) Class 2 libraries shall operate under the applicable provisions of IC 36-12-7.

(b) The library boards of Class 2 libraries may elect to adopt:

(1) IC 36-12-2-22;

(2) IC 36-12-2-24;

(3) IC 36-12-2-25; and

(4) IC 36-12-3.

(c) Class 2 libraries that elect only the sections set forth in subsection (b) retain the status of Class 2 libraries.

(d) The library board of the Class 2 libraries that elect only the sections set forth in subsection (b) shall file with the Indiana state library a copy of the part of the library board's minutes showing passage of the board's resolution to elect:

(1) IC 36-12-2-22;

(2) IC 36-12-2-24;

(3) IC 36-12-2-25; and

(4) IC 36-12-3.

(e) The election of IC 36-12-2-22, IC 36-12-2-24, IC 36-12-2-25, and IC 36-12-3 is irrevocable.

Sec. 12. (a) This section applies to a board of a public library that allows library patrons to use library software to access the Internet or other computer network.

(b) As used in this section, "computer network" has the meaning

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set forth in IC 35-43-2-3.

(c) The board of a public library shall adopt a policy concerning the appropriate use of the Internet or other computer network by library patrons in all areas of the library.

(d) The board shall make the policy adopted under subsection (c) readily available to all library patrons.

(e) The board of a public library shall annually review the policy adopted under subsection (c).

Sec. 13. A township trustee of a township that is:

(1) located in a county having a population of more than thirty-three thousand six hundred (33,600) but less than thirty-three thousand eight hundred (33,800); and

(2) not served by a public library;

may pay the cost of a library card at the nearest library for a resident of the township upon request of the resident.

Chapter 2. Class 1 Public Libraries: Organization and Board Members

Sec. 1. This chapter applies only to Class 1 public libraries.

Sec. 2. (a) A Class 1 public library is a municipal corporation, known as _____ Public Library.

(b) In the name of the Class 1 public library under subsection (a), the public library may:

(1) contract and be contracted with; and

(2) sue and be sued in court.

(c) Each public library constitutes an independent taxing unit for purposes of IC 6-1.1-1-21.

Sec. 3. (a) The corporate boundaries of the public library must be described in the resolution of establishment, conversion, transfer, or merger filed:

(1) in the office of the county recorder in the county where the administrative office of the public library is located; and

(2) with the Indiana state library.

(b) If the corporate boundaries of a unit and a Class 1 public library are coextensive, territory annexed by the unit becomes part of the library district if the annexed territory is not already part of another library district. Whenever a public library annexes territory under this subsection, the library board shall file a statement describing the annexed territory:

(1) in the office of the county recorder in the county where the administrative office of the public library is located; and

(2) with the Indiana state library.

If the territory annexed by a unit is already a part of another

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library district, the territory remains a part of the other library district unless the library boards of both public libraries pass a resolution of transfer under section 4 of this chapter.

Sec. 4. One (1) public library may transfer a part of the territory of the library to another public library according to the following procedure:

(1) The library boards of each public library must pass a resolution of transfer signed by a majority of the entire membership of each library board agreeing to the transfer.

(2) The library boards of each public library must include a description of the transferred territory in the respective resolutions of each public library.

(3) Each of the library boards must file a copy of the resolution of transfer:

(A) in the office of the county recorder in the county where the administrative office of the respective public library is located; and

(B) with the Indiana state library.

Sec. 5. (a) The legislative body of a municipality, township, county, or part of a county, any of which is not already taxed for public library purposes, that has:

(1) a population of at least ten thousand (10,000); or

(2) an assessed valuation that is at least as high as the median of the most recent certified assessed valuation of the ten (10) library taxing districts closest in population to ten thousand (10,000);

may establish a public library for the residents of the municipality, township, county, or part of the county.

(b) The establishment of the public library may be initiated either by:

(1) the legislative body passing a written resolution; or

(2) filing a petition with the legislative body that has been signed by at least twenty percent (20%) of the registered voters of the municipality, township, county, or part of a county, as determined by the last preceding general election.

(c) Not later than ten (10) days after a petition is filed under subsection (b)(2), the municipality, township, county, or part of a county shall give notice of the filing of the petition in two (2) newspapers of general circulation in the county, one (1) of which is published in the municipality where the library is to be located, if a newspaper is published in the municipality.

(d) Not later than ten (10) days after the publication of the

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petition under subsection (c), a registered voter in the municipality, township, county, or part of a county where the public library is proposed to be established may file with the respective municipality, township, or county a remonstrance that:

(1) is signed by registered voters in the municipality, township, county, or part of the county where the public library is proposed to be established; and

(2) states that the registered voters who have signed the remonstrance are opposed to the establishment of the public library.

(e) The following apply to a petition that is filed under subsection (b)(2) or a remonstrance that is filed under subsection (d):

(1) The petition or remonstrance must show the following:

(A) The date on which each individual signed the petition or remonstrance.

(B) The residence of each individual on the date the individual signed the petition or remonstrance.

(2) The petition or remonstrance must include an affidavit of the individual circulating the petition or remonstrance stating that each signature on the petition or remonstrance:

(A) was affixed in the individual's presence; and

(B) is the true signature of the individual who signed the petition or remonstrance.

(3) Several copies of the petition or remonstrance may be executed. The total of the copies constitute a petition or remonstrance. A copy must include an affidavit as described in subdivision (2). An individual who signed the petition, remonstrance, or copy may file the petition, the remonstrance, or a copy. All copies constituting a petition or remonstrance must be filed on the same day.

(4) The clerk of the circuit court in the county where the municipality, township, county, or part of a county where the public library that is proposed to be established is located shall do the following:

(A) If a name appears more than one (1) time on a petition or on a remonstrance, the clerk shall strike any duplicates of the name until the name appears only one (1) time on a petition or a remonstrance, or both, if the individual signed both a petition and a remonstrance.

(B) Strike the name from either the petition or the remonstrance of an individual who:

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(i) signed both the petition and the remonstrance; and

(ii) personally, in the clerk's office, makes a voluntary written and signed request for the clerk to strike the individual's name from the petition or the remonstrance.

(C) Not more than fifteen (15) days after a petition or remonstrance is filed, certify the number of signatures on the petition or remonstrance that:

(i) are not duplicates; and

(ii) represent individuals who are registered voters in the municipality, township, county, or part of a county where the public library is proposed to be established, on the day the individuals signed the petition or remonstrance.

(D) Establish a record of the clerk's certification in the clerk's office and file:

(i) the original petition;

(ii) the original remonstrance, if any; and

(iii) a copy of the clerk's certification;

with the legislative body of the municipality, township, or county.

The clerk of the circuit court may only strike an individual's name from a petition or remonstrance as set forth in clauses (A) and (B).

(f) At the first meeting of the legislative body held at least ten (10) days after the publication of the petition, the legislative body shall compare the petition and any remonstrance. Whenever:

(1) a remonstrance has not been filed; or

(2) a greater number of voters have signed the petition than have signed the remonstrance against the establishment of the public library;

the legislative body shall establish by written resolution the public library with a library district coextensive with the boundaries of the unit or part of a county, whichever is applicable.

(g) The establishment of the public library is effective as of the date the written resolution is passed. The legislative body shall file a copy of the resolution not later than five (5) days after the resolution is passed:

(1) with the county recorder in the county where the administrative office of the public library is located; and

(2) with the Indiana state library.

(h) The legislative body shall give notice to the officials who have the power to appoint members of the library board for the

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new public library under section 9 of this chapter. The officials shall appoint the library board for the new public library under section 9 of this chapter as soon as possible after the officials are notified.

(i) When the number of registered voters who have signed a remonstrance against the establishment of the public library is equal to or greater than the number who have signed the petition in favor of the establishment of the public library, the legislative body shall dismiss the petition. Another petition to establish a public library may not be initiated until one (1) year after the date the legislative body dismissed the latest unsuccessful petition.

Sec. 6. (a) The following apply to a petition or remonstrance filed under section 5 of this chapter:

(1) The petition or remonstrance must show the following:

(A) The date on which each individual signed the petition or remonstrance.

(B) The residence of each individual on the date the individual signed the petition or remonstrance.

(2) The petition or remonstrance must include an affidavit of the individual circulating the petition or remonstrance stating that each signature on the petition or remonstrance:

(A) was affixed in the individual's presence; and

(B) is the true signature of the individual who signed the petition or remonstrance.

(3) The clerk of the circuit court or the board of registration shall do the following:

(A) Strike all names appearing more than one (1) time on the petition or remonstrance.

(B) Certify the number of signatures on the petition or remonstrance that:

(i) are not duplicates; and

(ii) represent individuals who are registered voters in the county, the part of the county, or the municipality.

(b) The clerk of the circuit court shall complete the certification required by subsection (a) not later than fifteen (15) days after the petition or remonstrance is filed.

Sec. 7. (a) Except as provided in subsection (b), an appointee to a library board must:

(1) reside in the library district during the time the appointee is on the library board; and

(2) have resided in the library district served by the public library for at least the two (2) years immediately preceding

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the appointee's appointment to the library board.

(b) This subsection does not apply to a public library established by a county. If part or all of one (1) or more townships are contracting for service from a public library under IC 36-12-3-7, the appointing authority, in making an appointment under section 9(4) of this chapter, may name a resident of one (1) township to serve on the library board as the appointment of the appointing authority. However, the township appointee ceases to be a member of the library board if the township in which the appointee resides fails to renew the township's contract for library service.

Sec. 8. (a) Except as provided in subsection (b), an appointee to a library board may not serve more than four (4) consecutive terms on the library board. The consecutive terms are computed without regard to a change in the appointing authority that appointed the member or the length of any term served by the appointee. If:

(1) a member's term is interrupted due to the merger of at least two (2) public libraries under IC 36-12-4; and

(2) the member is reappointed to the merged public library board;

the term that was interrupted may not be considered in determining the number of consecutive terms a member may serve on a library board.

(b) This subsection applies to a library board for a library district having a population of less than three thousand (3,000). If an appointing authority conducts a diligent but unsuccessful search for a qualified individual who wishes to be appointed to serve on the library board:

(1) the appointing authority may reappoint a board member who has served four (4) or more consecutive terms; and

(2) state funds may not be withheld from distribution to the library.

The appointing authority shall file with the library board a written description of the search that was conducted under this subsection. The record becomes a part of the official records of the library board.

Sec. 9. Except as provided in section 15 of this chapter and subject to section 16 of this chapter, seven (7) members of a library board shall be appointed as follows:

(1) One (1) member appointed by the executive of the county in which the library district is located, or if the district is located in more than one (1) county, jointly by the executives

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of the respective counties.

(2) One (1) member appointed by the fiscal body of the county in which the library district is located, or if the district is located in more than one (1) county, jointly by the fiscal bodies of the respective counties.

(3) Three (3) members appointed by the school board of the school corporation serving the library district. However, if there is more than one (1) school corporation serving the library district:

(A) two (2) members shall be appointed by the school board of the school corporation in which the principal administrative offices of the public library are located; and

(B) one (1) member shall be appointed by a majority vote of the presidents of the school boards of the other school corporations.

(4) One (1) member appointed under section 10(1), 11(b)(1), 12(1), 13(1), or 14(1) of this chapter, as applicable.

(5) One (1) member appointed under section 10(2), 11(b)(2), 12(2), 13(2), or 14(2) of this chapter, as applicable.

Sec. 10. This section applies to the appointment of members to the library board of a public library serving a library district that is located in more than one (1) county and is not entirely located within the boundaries of one (1) municipality. For a public library under this section, the appointments under section 9(4) and 9(5) of this chapter shall be made as follows:

(1) One (1) member appointed jointly by the executive of the respective counties.

(2) One (1) member appointed jointly by the fiscal bodies of the respective counties.

Sec. 11. (a) This section applies to the appointment of members to the library board of a public library serving a library district that is located in one (1) county and:

(1) has been established by a county or merged into a county public library;

(2) results from the merger of a public library into a county public library under IC 36-12-4;

(3) is located in part or all of two (2) or more townships and is not entirely located within the boundaries of one (1) municipality; or

(4) is located in part or all of two (2) or more municipalities.

(b) Subject to subsection (c), in a public library described in subsection (a), the appointments under section 9(4) and 9(5) of this

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chapter shall be made as follows:

(1) One (1) member appointed by the executive of the county in which the library district is located.

(2) One (1) member appointed by the fiscal body of the county in which the library district is located.

(c) This subsection applies to a county containing only two (2) Class 1 public libraries and having a population of more than one hundred thirty thousand (130,000) but less than one hundred forty-five thousand (145,000), or more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000). In a public library that is the result of a merger occurring after December 31, 1979, between a public library and a county contractual public library, the appointments under section 9(4) and 9(5) of this chapter shall be made as follows:

(1) One (1) member appointed by the executive of the municipality in which the principal administrative offices of the public library are located.

(2) One (1) member appointed by the legislative body of the municipality in which the principal administrative offices of the public library are located.

Sec. 12. This section applies to the appointment of members to the library board of a public library serving a library district that is entirely located in the unincorporated areas of the township. For a public library under this section, the appointments under section 9(4) and 9(5) of this chapter shall be made as follows:

(1) One (1) member appointed by the executive of the township in which the library district is located.

(2) One (1) member appointed by the legislative body of the township in which the library district is located.

Sec. 13. This section applies to the appointment of members to the library board of a public library serving a library district that is entirely located in one (1) township and includes part or all of only one (1) municipality. For a public library under this section, the appointments under section 9(4) and 9(5) of this chapter shall be made as follows:

(1) One (1) member appointed by the legislative body of the township in which the library district is located.

(2) One (1) member appointed by the legislative body of the municipality in which the library district is located.

Sec. 14. This section applies to the appointment of members to the library board of a public library serving a library district that is entirely located within the boundaries of one (1) municipality.

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For a public library under this section, the appointments under section 9(4) and 9(5) of this chapter shall be made as follows:

(1) One (1) member appointed by the executive of the municipality in which the library district is located.

(2) One (1) member appointed by the legislative body of the municipality in which the library district is located.

Sec. 15. (a) This section applies to the library board of a library district:

(1) located in a county having a population of more than fifty-five thousand (55,000) but less than sixty-five thousand (65,000); and

(2) containing all or part of the territory of each school corporation in the county.

(b) Notwithstanding section 9 of this chapter, the library board has the following members:

(1) One (1) member appointed by the executive of the county in which the library district is located and who is not a member of the county executive.

(2) One (1) member appointed by the fiscal body of the county in which the library district is located and who is not a member of the county fiscal body.

(3) One (1) member appointed by the legislative body of the most populous city in the library district and who is not a member of the city legislative body.

(4) One (1) member appointed by the school board of each school corporation having territory in the library district and who is not a member of a governing body of a school corporation.

(c) An individual who is appointed under subsection (b) to serve as a member of a library board must, before March 1 of each year, report to the member's appointing authority concerning the work of the library board and finances of the library during the preceding calendar year, including the rate of taxation determined under IC 36-12-3-12.

Sec. 16. (a) This section applies to the appointment of members to a library board of a public library serving a library district that is:

(1) partly or fully within the boundaries of a consolidated city; and

(2) fully within the boundaries of one (1) county.

(b) Seven (7) members of a library board shall be appointed in the following order as the terms of previously appointed members

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expire:

(1) One (1) member appointed by the board of county commissioners of the county in which the library district is located.

(2) One (1) member appointed by the fiscal body of the county in which the library district is located.

(3) One (1) member appointed by the board of county commissioners of the county in which the library district is located.

(4) Two (2) members appointed by the school board of the school corporation in which the principal administrative offices of the public library are located.

(5) One (1) member appointed by the board of county commissioners of the county in which the library district is located.

(6) One (1) member appointed by the fiscal body of the county in which the library district is located.

Sec. 17. The four (4) additional members of a county contractual library board required by IC 36-12-6-2 shall be appointed as follows:

(1) Two (2) members appointed by the executive of the county in which the county contractual library district is located.

(2) Two (2) members appointed by the county superintendent of schools, or if there is no county superintendent of schools, by the county auditor of the county in which the library district is located.

Sec. 18. (a) Subject to subsection (b), the term of a library board member is four (4) years. A member may continue to serve on a library board after the member's term expires until the member's successor is qualified under section 19 of this chapter. The term of the member's successor is not extended by the time that has elapsed before the successor's appointment and qualification. If a member is appointed to fill a vacancy on a library board, the member's term is the unexpired term of the member being replaced.

(b) Except for a library board whose membership is established under section 15 of this chapter, for purposes of establishing staggered terms for the members of a library board, the initial members shall serve the following terms:

(1) One (1) year for one (1) member appointed under section 9(1), 9(5), 16(b)(1), 16(b)(2), or 17(1) of this chapter.

(2) Two (2) years for one (1) member appointed under section

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9(3)(A), 9(4), 16(b)(3), 16(b)(4), or 17(2) of this chapter.

(3) Three (3) years for one (1) member appointed under section 9(2), 9(3)(A), 16(b)(4), 16(b)(5), or 17(1) of this chapter.

(4) Four (4) years for one (1) member appointed under section 9(3)(B), 16(b)(6), or 17(2) of this chapter.

(c) When an appointing authority appoints members to terms of different length under subsection (b), the appointing authority shall designate which member serves each term.

Sec. 19. (a) An appointing authority under this chapter shall issue to each appointee to a library board a signed certificate of appointment.

(b) Not more than ten (10) days after the receipt of the certificate of appointment, the appointee shall take an oath of office, before an individual authorized by law to administer the oath, to the effect that the appointee will faithfully discharge the appointee's duties to the best of the appointee's ability.

(c) The appointee shall file the certificate of appointment and the endorsed oath with the records of the public library, which shall be preserved as a public record.

Sec. 20. (a) A library board member may be removed at any time by the appointing authority, after public hearing, for any cause:

(1) that interferes with the proper discharge of the member's duties as a member of the board; or

(2) that jeopardizes public confidence in the member.

(b) A vacancy occurs whenever a member is absent from six (6) consecutive regular board meetings for any cause other than illness. The appointing authority shall be notified by the secretary of the board of a vacancy.

Sec. 21. A member of a library board shall serve without compensation. A board member may not serve as a paid employee of the public library, except the treasurer as provided in section 22 of this chapter.

Sec. 22. (a) The library board shall annually elect a treasurer of the public library. The treasurer may be either:

(1) a member of the library board; or

(2) an employee of the library.

However, the library director appointed under section 24 of this chapter may not also be treasurer.

(b) The library board may fix the rate of compensation for the services of the treasurer.

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(c) The treasurer:

(1) is the official custodian of all library funds;

(2) is responsible for the proper safeguarding and accounting of all library funds;

(3) shall issue warrants approved by the library board in payment of expenses lawfully incurred in behalf of the public library; and

(4) shall make financial reports of library funds and present the reports to the library board every month.

(d) The library board may prescribe the powers and duties of the treasurer consistent with this chapter.

(e) The treasurer may be removed by the board at any regular or special meeting by a majority vote of the entire membership of the board.

(f) The board may elect a successor treasurer if a vacancy occurs in the office.

(g) The treasurer shall give a surety bond for the faithful performance of the treasurer's duty and for the accurate accounting of all money coming into the treasurer's custody. The bond must be:

(1) written by an insurance company licensed to do business in Indiana;

(2) for the term of office of the treasurer;

(3) in an amount determined by the library board;

(4) paid for with the money from the library fund;

(5) payable to the state of Indiana;

(6) approved by the library board; and

(7) deposited in the office of the recorder of the county in which the library district is located.

Sec. 23. (a) Upon the creation of a new public library, the library board shall meet not later than ten (10) days after a majority of the appointees have taken an oath of office. The organizational meeting may be called by any two (2) members. At the meeting, the board shall:

(1) elect from the members of the board a president, a vice president, a secretary, and other officers that the board determines are necessary; and

(2) adopt bylaws for the board's procedure and management and for the management of the public library.

Officers of the board shall be elected annually.

(b) A majority of the library board members constitutes a quorum for the transaction of business. The library board shall

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meet:

(1) at least monthly; and

(2) at any other time a meeting is necessary.

Meetings may be called by the president or any two (2) board members. All meetings of the board, except necessary executive sessions of the officers, are open to the public.

Sec. 24. (a) The library board shall select a librarian who holds a certificate under IC 36-12-11 to serve as the director of the library. The selection shall be made solely upon the basis of the candidate's training and proficiency in the science of library administration. The board shall fix the compensation of the director. The director, as the administrative head of the library, is responsible to the board for the operation and management of the library.

(b) The library board shall employ and discharge librarians and other individuals that are necessary in the administration of the affairs of the library. The board shall:

(1) fix and pay the compensation;

(2) classify and adopt schedules of salaries; and

(3) determine the number and prescribe the duties;

of the librarians and other individuals, with the advice and recommendations of the library director.

(c) In exercising the powers of the library board under this section, the library board may reimburse:

(1) candidates for employment for expenses reasonably incurred while interviewing; and

(2) new employees for the reasonable moving expenses of the employees.

If the library board exercises authority under this subsection, the board shall establish reasonable levels of reimbursement for the purposes of this subsection.

(d) A library board may provide severance pay to a library employee who is involuntarily separated from employment with the library.

Sec. 25. (a) The residents or real property taxpayers of the library district taxed for the support of the library may use the facilities and services of the public library without charge for library or related purposes. However, the library board may:

(1) fix and collect fees and rental charges; and

(2) assess fines, penalties, and damages for the:

(A) loss of;

(B) injury to; or

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(C) failure to return;

any library property or material.

(b) A library board may issue local library cards to:

(1) residents of the library district; or

(2) Indiana residents who are not residents of the library district;

who apply for the cards.

(c) Except as provided in subsection (d), a library board must set and charge a fee for a local library card issued under subsection (b)(2). The minimum fee that the board may set under this subsection is the greater of the following:

(1) The library district's operating fund expenditure per capita in the most recent year for which that information is available in the Indiana state library's annual "Statistics of Indiana Libraries".

(2) Twenty-five dollars ($25).

(d) A library board may charge a reduced fee or not charge a fee for a local library card under subsection (c) that is issued to an Indiana resident who is:

(1) a student enrolled in a public school corporation that is located at least in part in the library district; and

(2) not a resident of the library district.

Chapter 3. Powers and Duties of Class 1 Public Libraries

Sec. 1. This chapter applies only to Class 1 public libraries.

Sec. 2. The library board shall comply with and participate in the statewide library card program described in IC 4-23-7.1-5.1. However, the library board may enter into a reciprocal borrowing agreement with another library board under section 7 of this chapter or IC 36-1-7 to:

(1) provide to; or

(2) receive from;

the other library board library service.

Sec. 3. The library board shall govern and set policy for all the affairs of the public library. The library board may:

(1) make rules for the discharge of the library board's responsibilities; and

(2) manage and insure all real and personal property belonging to the public library.

Sec. 4. (a) The library board may establish a sufficient number of:

(1) libraries;

(2) branch libraries; or

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(3) stations;

that are conveniently located to serve the residents of the library district within the resources available.

(b) The library board may provide suitable rooms, structures, facilities, furniture, apparatus, and other articles necessary for the thorough organization and efficient management of the libraries.

(c) The library board may provide for the establishment and operation of a museum to serve the residents of the library district.

Sec. 5. (a) The library board may:

(1) acquire real or personal property by purchase, devise, lease, condemnation, or otherwise; and

(2) own any real or personal property for purposes of the public library.

(b) The library board may:

(1) sell;

(2) exchange; or

(3) otherwise dispose of;

real property no longer needed for library purposes in accordance with IC 36-1-11.

(c) The library board may transfer personal property no longer needed for library purposes for no compensation or a nominal fee to an Indiana nonprofit library organization that is:

(1) tax exempt; and

(2) organized and operated for the exclusive benefit of the library disposing of the property;

without complying with IC 36-1-11.

(d) The library board may:

(1) accept gifts of real or personal property; and

(2) hold, mortgage, lease, or sell the property as directed by the terms of the grant, gift, bequest, or devise;

when the action is in the interest of the public library.

Sec. 6. The library board may provide for the:

(1) purchase and loan of books and other media of communication; and

(2) dissemination of information to the residents of the library district in any manner.

Sec. 7. (a) A library board may contract to provide or receive library service from the following municipal corporations:

(1) Another public library.

(2) Any unit.

(b) A contract for library service between a public library and another municipal corporation must outline the:

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(1) manner and extent of library service; and

(2) amount of compensation for the extension of library service.

(c) This subsection does not apply to municipal corporations described in section 8 of this chapter. A municipal corporation receiving library service shall:

(1) levy a tax sufficient to meet the amount of compensation agreed upon under the contract; and

(2) expend all funds received under a contract for library services chargeable to the contract.

Sec. 8. (a) This section applies to municipal corporations located in a county having a population of more than thirty-six thousand seventy-five (36,075) but less than thirty-seven thousand (37,000).

(b) A municipal corporation receiving library service under section 7 of this chapter shall:

(1) levy a tax sufficient to meet the amount of compensation agreed on under the contract; or

(2) make the contract payments with revenue derived from a tax being imposed before the contract is approved by the municipal corporation, including the part of local income tax revenue that is not required to be dedicated to providing property tax relief.

(c) A library board providing service shall expend all funds received under a contract for library services chargeable to the contract.

Sec. 9. (a) A library board may, by resolution, issue bonds for one (1) or more of the following purposes:

(1) The acquisition or improvement of library sites.

(2) The acquisition, construction, extension, alteration, or improvement of structures and equipment necessary for the proper operation of a library.

(3) To refund outstanding bonds and matured interest coupons and to issue and sell refunding bonds for that purpose.

(b) The library board shall advertise and sell bonds in compliance with IC 5-1-11 at any interest rate. The bonds are payable at the time the board fixes in the authorizing resolution, but all bonds must be payable within a period of not more than twenty (20) years from the date the bonds are issued.

(c) Bonds issued under this section do not constitute a corporate obligation or indebtedness of any other political subdivision. Bonds issued under this section constitute an indebtedness of the library

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district only. Bonds issued under this chapter, and the interest, are tax exempt. The board shall apply the proceeds from the sale of bonds only:

(1) for the purpose for which the bonds were issued; and

(2) to the extent necessary.

Any remaining balance shall be placed in a sinking fund for the payment of the bonds and the interest on the bonds.

Sec. 10. The library board may do the following:

(1) Adopt a resolution to make loans or issue notes to refund the loans in anticipation of revenues of the library that are expected to be levied and collected during the term of the loans. The term of a loan made under this subdivision may not be more than five (5) years. Loans under this subdivision must be made in the following manner:

(A) The resolution authorizing the loans must appropriate and pledge to payment of the loans a sufficient amount of the revenues in anticipation of which the loans are issued and out of which the loans are payable.

(B) The loans must be evidenced by warrants or tax anticipation notes of the library in terms designating:

(i) the nature of the consideration;

(ii) the time and place payable; and

(iii) the revenues in anticipation of which the loans are issued and out of which the loans are payable.

(2) Borrow money from other persons.

(3) Issue, negotiate, and sell negotiable notes and bonds of the public library.

(4) Levy, assess, and collect, at the same time and in the same manner as other taxes of the public library are levied, assessed, and collected, a special tax in addition to the tax authorized by section 12 of this chapter, sufficient to pay all yearly interest on the bonded and note indebtedness of the public library.

(5) Provide a sinking fund for the liquidation of the principal of the bond when the principal of the bond becomes due.

Sec. 11. (a) A library board shall establish funds to keep money and securities of the public library as follows:

(1) All money collected from tax levies, interest on investments, fees, fines, rentals, and other revenues:

(A) shall be deposited into the library operating fund, except as otherwise provided in this section; and

(B) must be budgeted and expended in the manner

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required by law.

(2) All money received from the sale of bonds or other evidences of indebtedness for the purpose of construction, reconstruction, or alteration of library buildings, except the premium and accrued interest on the bonds, shall be deposited into the construction fund. The money shall be appropriated and expended solely for the purpose for which the indebtedness is created.

(3) All money derived from the taxes levied for the purpose of retiring bonds or other evidence of indebtedness, and any premium or accrued interest that may be received, shall be deposited into the bond and interest redemption fund. The fund shall be used for no other purpose than the repayment of indebtedness.

(4) Money or securities may be accumulated in any library improvement reserve fund to anticipate necessary future capital expenditures, such as:

(A) the purchase of land;

(B) the purchase and construction of buildings or structures;

(C) the construction of additions or improvements to existing structures;

(D) the purchase of equipment; and

(E) all repairs or replacement of buildings or equipment.

(5) Money or securities accepted and received by the library board as a grant, a gift, a donation, an endowment, a bequest, or a trust may be:

(A) set aside in a separate fund or funds and shall be expended, without appropriation, in accordance with the conditions and purposes specified by the donor; or

(B) set aside in an account with a nonprofit corporation established for the sole purpose of building permanent endowments within a community (referred to as a "community foundation"). The earnings on the funds in the account, either:

(i) deposited by the library; or

(ii) accepted by the community foundation on behalf of the library;

may be distributed back to the library for expenditure, without appropriation, in accordance with the conditions and purposes specified by the donor. A community foundation that distributes earnings under this clause is

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not required to make more than one (1) distribution of earnings in a calendar year.

(6) All money received in payment for library services or for library purchases made or to be made under the terms of a contract between two (2) or more public libraries under section 7 of this chapter shall be deposited into the contractual service fund. This money shall be:

(A) expended solely for the purposes specified in the contract; and

(B) disbursed without further appropriation.

(b) The library board may invest excess funds in accordance with IC 5-13-9.

Sec. 12. (a) The library board shall determine the rate of taxation for the library district that is necessary for the proper operation of the library. The library board shall certify the rate to the county auditor. The county auditor shall certify the tax rate to the county tax adjustment board in the manner provided in IC 6-1.1. An additional rate may be levied under section 10(4) of this chapter.

(b) If the library board fails to:

(1) give:

(A) a first published notice to the board's taxpayers of the board's proposed budget and tax levy for the ensuing year at least ten (10) days before the public hearing required under IC 6-1.1-17-3; and

(B) a second published notice to the board's taxpayers of the board's proposed budget and tax levy for the ensuing year at least three (3) days before the public hearing required under IC 6-1.1-17-3; or

(2) finally adopt the budget and fix the tax levy not later than September 20;

the last preceding annual appropriation made for the public library is renewed for the ensuing year, and the last preceding annual tax levy is continued. Under this subsection, the treasurer of the library board shall report the continued tax levy to the county auditor not later than September 20.

Sec. 13. A township may appropriate general revenue sharing funds that the township receives under the federal State and Local Fiscal Assistance Act of 1972, as amended, to a Class 1 public library. Other units have authority under IC 36-10-2-4 to aid public libraries through any means available. Any general revenue sharing funds received by a public library shall be deposited in any

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of the funds outlined in section 11 of this chapter.

Sec. 14. When required by the interests of the library, the library board may authorize a member of the library board or an individual employed by the library to be absent from the public library. The library board may pay out of the library's funds the necessary hotel and board bills and transportation expenses of the member or individual while absent in the interest of the public library.

Sec. 15. The library board may appropriate funds necessary to provide membership of the public library in local, state, and national associations of a civic, an educational, a professional, or a governmental nature that have as their purpose the betterment and improvement of library operations.

Sec. 16. (a) The library board may adopt a resolution allowing money to be disbursed under this section for lawful library purposes.

(b) With the prior written approval of the library board and if the library board has adopted a resolution under subsection (a), claim payments may be made in advance of library board allowance for any of the following types of expenses:

(1) Property or services purchased or leased from the federal government or the federal government's agencies and the state, the state's agencies, or the state's political subdivisions.

(2) Dues, subscriptions, and publications.

(3) License or permit fees.

(4) Insurance premiums.

(5) Utility payments or connection charges.

(6) Federal grant programs where:

(A) advance funding is not prohibited; and

(B) the contracting party posts sufficient security to cover the amount advanced.

(7) Grants of state funds authorized by statute.

(8) Maintenance and service agreements.

(9) Legal retainer fees.

(10) Conference fees.

(11) Expenses related to the educational or professional development of an individual employed by the library board, including:

(A) inservice training;

(B) attending seminars or other special courses of instruction; and

(C) tuition reimbursement;

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if the library board determines that the expenditures under this subdivision directly benefit the library.

(12) Leases or rental agreements.

(13) Bond or coupon payments.

(14) Payroll costs.

(15) State, federal, or county taxes.

(16) Expenses that must be paid because of emergency circumstances.

(17) Other expenses described in a library board resolution.

Each payment of expenses lawfully incurred for library purposes must be supported by a fully itemized invoice or other documentation. The library director must certify to the library board before payment that each claim for payment is true and correct. The certification must be on a form prescribed by the state board of accounts. The library board shall review and allow the claim at the library board's first regular or special meeting following the payment of a claim under this section.

(c) Purchases of books, magazines, pamphlets, films, filmstrips, microforms, microfilms, slides, transparencies, phonodiscs, phonotapes, models, art reproductions, and all other forms of library and audiovisual materials are exempt from the restrictions imposed by IC 5-22.

(d) The purchase of library automation systems must meet the standards established by the Indiana library and historical board under IC 4-23-7.1-11(b).

Sec. 17. This chapter does not limit other powers granted by any other law not in conflict with this chapter.

Sec. 18. (a) Subject to subsection (d), a library board or a person designated in writing by the library board may:

(1) collect money or library property; or

(2) compromise the amount of money;

that is owed to the library.

(b) A library board:

(1) shall determine the costs of collecting money or library property under this section; and

(2) may add the costs of collection, including reasonable attorney's fees, to money or library property that is owed and collected under this section.

(c) A library board or the library board's agent that collects money under this section shall deposit the money, less the costs of collection, in the account required by law.

(d) A person designated by the library board under subsection

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(a) may collect money from a person for the library only if the amount to be collected from the person is more than ten dollars ($10).

(e) A library board may compromise claims made against the library.

Chapter 4. Merger of Class 1 Public Libraries

Sec. 1. This chapter applies only to Class 1 public libraries.

Sec. 2. (a) A public library may merge with any other public library.

(b) The merger of at least two (2) public libraries must be initiated by a majority of the entire membership of each library board signing a resolution initiating the planning of a merger.

Sec. 3. (a) Not more than thirty (30) days after a resolution calling for the planning of a merger is signed under section 2 of this chapter, each library board seeking to merge under this chapter shall appoint three (3) individuals to serve on a planning committee to develop a plan for the merger of the libraries.

(b) The plan for the merger must include the following information:

(1) A designation of the primary library that:

(A) is one (1) of the libraries seeking to merge; and

(B) will continue to exist as a legal entity following the merger.

(2) A description of the services to be offered by the merged library.

(3) The terms and conditions upon which the transfer of property among the merging libraries will be achieved.

(4) A schedule for the merger process to begin and conclude.

(5) Any other pertinent matter.

(c) The plan must be completed not later than one (1) year from the date that the resolution calling for the planning of the merger is signed.

(d) Upon completion of the plan described in subsection (b), the plan shall be presented to the library board of each merging library for adoption.

(e) A merger is not considered final unless a majority of the membership of each library board adopts the plan by written resolution.

Sec. 4. (a) A copy of the resolution adopting the merger described in section 3(e) of this chapter must be filed with:

(1) the county recorder in each county in which merging library districts are located; and

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(2) the Indiana state library.

(b) After the resolution adopting the merger is filed, each library board that is not the board of the primary library shall appoint four (4) members to serve with the primary library board on an interim board.

(c) The interim board has the same duties and powers of a public library board under IC 36-12-3.

(d) After the resolution adopting the merger is filed, the budgets of the merging libraries shall be:

(1) combined for the remainder of the current year; and

(2) administered by the interim board.

(e) The interim board described in subsection (b) is dissolved on December 31 of the year in which the merger takes place.

(f) The members of a merged library board shall be appointed under IC 36-12-2, and the terms of office for the members of the merged library board begin January 1 following the dissolution of the interim board.

(g) If a merger takes place after December 31 but before July 1 of the ensuing year, the interim library board described in subsection (b) shall present a new budget and tax rate to the department of local government finance to receive a new tax levy for the merged library district.

(h) If a merger takes place after June 30 but before January 1 of the ensuing year, the merged library board described in subsection (f) shall present a new budget and tax rate to the department of local government finance to receive a new tax levy for the merged library district.

Sec. 5. In the case of the merger of a municipal public library and a:

(1) county public library; or

(2) public library located in whole or in part in a consolidated city;

the municipal public library shall merge into the county public library or public library located in whole or in part in the consolidated city. The municipal board and the county board are then dissolved effective December 31 of the year of the merger and a newly created board shall take office January 1.

Chapter 5. Expansion of Class 1 Public Libraries

Sec. 1. (a) Sections 2 through 4 of this chapter apply only to Class 1 public libraries that seek to expand into not more than one (1) township of a county.

(b) Sections 5 through 12 of this chapter apply to Class 1 public

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libraries that seek to expand into more than one (1) township of a county by an alternative method to the method under sections 2 through 4 of this chapter.

Sec. 2. (a) The library board of a public library may file a proposed expansion with the township trustee and legislative body of the township. The proposal must state that the public library seeks to combine with a certain township or any part of a township not being taxed for public library service to form a single library district.

(b) Except as provided in section 3 of this chapter, when a township trustee and legislative body receive a proposal of expansion under this section, the legislative body may agree to the expansion proposal by written resolution.

Sec. 3. (a) When the library board presents the township trustee and legislative body with a proposal of expansion and an intent to file a petition for acceptance of the proposal of expansion, not later than ten (10) days after the filing, the township trustee shall publish notice of the proposal of expansion in the manner provided in IC 5-3-1 in a newspaper of general circulation in the township. Beginning the first day after the notice is published, and during the period that ends sixty (60) days after the date of the publication of the notice, an individual who is a registered voter of the township or part of the township may sign one (1) or both of the following:

(1) A petition for acceptance of the proposal of expansion that states that the registered voter is in favor of the establishment of an expanded library district.

(2) A remonstrance in opposition to the proposal of expansion that states that the registered voter is opposed to the establishment of an expanded library district.

(b) A registered voter of the township or part of the township may file a petition or a remonstrance, if any, with the clerk of the circuit court in the county where the township is located. A petition for acceptance of the proposal of expansion must be signed by at least twenty percent (20%) of the registered voters of the township, or part of the township, as determined by the most recent general election.

(c) The following apply to a petition that is filed under this section or a remonstrance that is filed under subsection (b):

(1) The petition or remonstrance must show the following:

(A) The date on which each individual signed the petition or remonstrance.

(B) The residence of each individual on the date the

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individual signed the petition or remonstrance.

(2) The petition or remonstrance must include an affidavit of the individual circulating the petition or remonstrance, stating that each signature on the petition or remonstrance:

(A) was affixed in the individual's presence; and

(B) is the true signature of the individual who signed the petition or remonstrance.

(3) Several copies of the petition or remonstrance may be executed. The total of the copies constitute a petition or remonstrance. A copy must include an affidavit described in subdivision (2). A signer may file the petition or remonstrance, or a copy of the petition or remonstrance. All copies constituting a petition or remonstrance must be filed on the same day.

(4) The clerk of the circuit court in the county in which the township is located shall do the following:

(A) If a name appears more than one (1) time on a petition or on a remonstrance, the clerk must strike any duplicates of the name until the name appears only one (1) time on a petition or a remonstrance, or both, if the individual signed both a petition and a remonstrance.

(B) Strike the name from either the petition or the remonstrance of an individual who:

(i) signed both the petition and the remonstrance; and

(ii) personally, in the clerk's office, makes a voluntary written and signed request for the clerk to strike the individual's name from the petition or the remonstrance.

(C) Certify the number of signatures on the petition and on any remonstrance that:

(i) are not duplicates; and

(ii) represent individuals who are registered voters in the township or the part of the township on the day the individuals signed the petition or remonstrance.

The clerk of the circuit court may only strike an individual's name from a petition or a remonstrance as set forth in clauses (A) and (B).

(d) The clerk of the circuit court shall complete the certification required under subsection (c) not more than fifteen (15) days after the petition or remonstrance is filed. The clerk shall:

(1) establish a record of certification in the clerk's office; and

(2) file the original petition, the original remonstrance, if any, and a copy of the clerk's certification with the legislative

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body.

Sec. 4. (a) Not more than forty (40) days after the certification of a petition and a remonstrance, if any, under section 3 of this chapter, the township legislative body shall compare the petition and any remonstrance.

(b) If a remonstrance has not been filed or a greater number of voters have signed the petition than have signed the remonstrance, the legislative body shall agree to the expansion by written resolution. Not more than ten (10) days after the written resolution establishing an expanded library district is adopted, the legislative body shall submit a copy of the resolution for filing:

(1) in the office of the county recorder in the county where the administrative office of the public library is located; and

(2) with the Indiana state library.

The expansion is effective as of the date the written resolution is filed.

(c) When an equal or greater number of registered voters have signed a remonstrance against the establishment of an expanded library district than the number who have signed the petition in favor of the expansion, the legislative body shall dismiss the petition. Another petition to establish the expanded library district may not be initiated until one (1) year after the date the legislative body dismissed the latest unsuccessful petition.

Sec. 5. (a) The library board of a public library may file a proposed expansion with the legislative body of the county. The proposal must state that the public library seeks to combine with more than one (1) township or parts of more than one (1) township not being taxed for public library service to form a single library district.

(b) Except as provided in section 6 of this chapter, whenever the legislative body of a county receives a proposal of expansion under this section, the legislative body may agree to the expansion proposal by written resolution.

Sec. 6. (a) Whenever a library board presents the legislative body of a county with a proposal of expansion and an intent to file a petition for acceptance of the proposal of expansion, not later than ten (10) days after the intent is filed, the county auditor shall publish notice in the manner provided in IC 5-3-1 of the proposal of expansion in a newspaper of general circulation in the county. Beginning the first day after the notice is published, and during the period that ends sixty (60) days after the date of the publication of the notice, an individual who is a registered voter of an affected

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township or an affected part of the township may sign one (1) or both of the following:

(1) A petition for acceptance of the proposal of expansion.

(2) A remonstrance petition in opposition to the proposal of expansion.

(b) Registered voters shall file a petition or a remonstrance, if any, with the clerk of the circuit court in the county where the townships are located. A petition for acceptance of the proposal of expansion must be signed by at least twenty percent (20%) of the registered voters of the townships or parts of townships, as determined by the most recent general election.

Sec. 7. (a) The following apply to a petition or remonstrance that is filed under section 6 of this chapter:

(1) The petition or remonstrance must show the following:

(A) The date on which each individual signed the petition or remonstrance.

(B) The residence of each individual on the date the individual signed the petition or remonstrance.

(2) The petition or remonstrance must include an affidavit of the individual circulating the petition or remonstrance, stating that each signature on the petition or remonstrance:

(A) was affixed in the individual's presence; and

(B) is the true signature of the individual who signed the petition or remonstrance.

(3) Several copies of the petition or remonstrance may be executed. The total of the copies constitutes a petition or remonstrance. A copy must include an affidavit described in subdivision (2). A signer may file a petition or remonstrance, or a copy of a petition or remonstrance. All copies constituting a petition or remonstrance must be filed on the same day.

(4) The clerk of the circuit court of the county containing the townships or parts of townships shall do the following:

(A) If a name appears more than one (1) time on a petition or on a remonstrance, the clerk must strike any duplicates of the name until the name appears only one (1) time on a petition or a remonstrance, or both, if the individual signed both a petition and a remonstrance.

(B) Strike the name from a petition or remonstrance of an individual who personally, in the clerk's office, makes a written and signed request for the clerk to strike the individual's name.

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(C) Certify the number of signatures on the petition and remonstrance, if any, that:

(i) are not duplicates; and

(ii) represent individuals who are registered voters in the townships or parts of townships on the day the individuals signed the petition or remonstrance.

The clerk of the circuit court may only strike an individual's name from a petition or a remonstrance as set forth in clauses (A) and (B).

(b) The clerk of the circuit court shall complete the certification required under subsection (a) not more than fifteen (15) days after the petition or remonstrance is filed.

Sec. 8. The clerk of the circuit court shall establish a record of the clerk's certification in the clerk's office and shall file the original petition, the original remonstrance, if any, and a copy of the certification with the legislative body.

Sec. 9. A registered voter may file with the clerk of the circuit court a remonstrance that:

(1) is signed by registered voters in townships or parts of townships not already taxed for library purposes; and

(2) states that registered voters who have signed the remonstrance are opposed to the establishment of the expanded library district.

Sec. 10. (a) Not more than forty (40) days after the certification of a petition and remonstrance under section 7 of this chapter, the county legislative body shall compare the petition and any remonstrance.

(b) If:

(1) a remonstrance has not been filed; or

(2) a greater number of registered voters have signed the petition than have signed the remonstrance;

the county legislative body shall agree to the expansion by written resolution. The expansion is effective on the date the written resolution is filed.

(c) If the number of registered voters who have signed a remonstrance against the establishment of an expanded library district is equal to or greater than the number who have signed the petition in favor of the expansion, the legislative body shall dismiss the petition. Another petition to establish the expanded library district may not be initiated until one (1) year after the date the legislative body dismissed the latest unsuccessful petition.

Sec. 11. Not more than ten (10) days after a written resolution

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establishing an expanded library district is adopted, the legislative body shall send a copy of the resolution to be filed:

(1) in the office of the county recorder in each county where the library district is located; and

(2) with the Indiana state library.

Sec. 12. (a) If not more than two (2) townships or parts of not more than two (2) townships are added to a library taxing district, at least one (1) of the initial appointments made to the library board by the county commissioners or the county council must be from one (1) of the townships.

(b) If more than two (2) townships or parts of more than two (2) townships are added to a library district, at least two (2) of the initial appointments made to the library board by the county commissioners or the county council must be from the townships that are added to the library district.

(c) An appointment under this section may not be made before the expiration of a term in effect at the time the expansion is final.

Chapter 6. County Contractual Libraries

Sec. 1. (a) This chapter applies only to Class 1 public libraries that have been established as county contractual libraries before July 1, 1992.

(b) A county contractual library established under this chapter shall operate under the name of _____ County Contractual Public Library.

Sec. 2. Four (4) citizens who have resided at least two (2) years in the county contractual library district shall be appointed to a library board under IC 36-12-2-17. The four (4) members, and the members of the library board of the public library extending service, comprise a separate library board that shall exercise all powers and duties pertaining to library service. The library board of the county contractual public library shall be known and designated as the Board of Trustees of _____ County Contractual Public Library. The members of the library board of the public library extending service to the county shall continue:

(1) as a separate board; and

(2) to exercise all powers and duties pertaining to library service to the board's original library district.

Sec. 3. (a) The county contractual library board has all the powers and duties of other library boards under IC 36-12-3, except the power to issue bonds under IC 36-12-3-9.

(b) The county contractual library may not lease under IC 36-12-10.

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Sec. 4. (a) If a township or part of a township is contracting with a library that is extending service through a county contractual library, the township or part of a township:

(1) shall cease to levy a separate tax for library purposes; and

(2) becomes a part of the county contractual library district.

(b) The tax levy for county contractual library purposes shall then be levied in the township or part of a township that has become part of the county contractual library district.

(c) A township that ceases to levy a tax for public library purposes in any year becomes a part of the township's county library district or county contractual library district, if either library district exists at the time the township levy is discontinued. The county library or county contractual library tax shall then be levied in the townships.

Chapter 7. Class 2 Public Libraries

Sec. 1. This chapter applies only to Class 2 public libraries.

Sec. 2. The library board shall:

(1) comply with; and

(2) participate in;

the statewide library card program described in IC 4-23-7.1-5.1. However, the library board may enter into a reciprocal borrowing agreement with another library board under IC 36-1-7 or IC 36-12-3-7 to provide to or receive from the other library board library service.

Sec. 3. (a) A library board may issue local library cards to:

(1) residents of the library district; and

(2) Indiana residents who are not residents of the library district;

who apply for the cards.

(b) Except as provided in subsection (c), a library board must set and charge a fee for a local library card issued under subsection (a)(2). The minimum fee that the board may set under this subsection is the greater of the following:

(1) The library district's operating fund expenditure per capita in the most recent year for which that information is available in the Indiana state library's annual "Statistics of Indiana Libraries".

(2) Twenty-five dollars ($25).

(c) A library board may charge a reduced fee or not charge a fee for a local library card under subsection (b) that is issued to an Indiana resident who is:

(1) a student enrolled in a public school corporation that is

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located at least in part in the library district; and

(2) not a resident of that library district.

Sec. 4. (a) The library board of any public library established as a 1901 city or town library consists of qualified and experienced individuals at least eighteen (18) years of age who have been residents of the municipality where the library is located for at least two (2) years immediately preceding the appointment of the individual. The members shall be appointed for two (2) year terms as follows:

(1) The board of commissioners of the county where the library is located shall appoint one (1) member.

(2) The fiscal body of the county where the library is located shall appoint one (1) member.

(3) The municipal executive shall appoint one (1) member.

(4) The municipal legislative body shall appoint one (1) member.

(5) The school board of the school corporation where the library is located shall appoint three (3) members, who may be members of the school board.

(b) If a vacancy occurs on the library board for any cause, the appointing authority shall fill the vacancy. The appointing authority may at any time, for cause shown, remove a member of the library board and appoint a new member to fill the vacancy caused by the removal.

(c) The library board members shall serve without compensation.

(d) All appointments to membership on the library board must be evidenced by certificates of appointment signed by the appointing authority. Certificates of appointment shall be:

(1) handed to; or

(2) mailed to the address of;

the appointee. Not later than ten (10) days after receiving the certificates of appointment, an appointee shall take an oath of office, before the clerk of the circuit court, that the appointee will faithfully discharge the appointee's duties as a member of the library board to the best of the appointee's ability. The appointee shall file the certificate, with the oath endorsed on it, with the clerk of the circuit court of the county in which the library is located.

(e) Not later than five (5) days after all the members of the library board have been appointed and have taken the oath of office, the members shall meet and organize by electing one (1) member as president, one (1) member as vice president, and one (1)

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member as secretary. The members shall also select committees or an executive board to carry on the work of the board if the members determine that committees or an executive board is necessary.

(f) The facilities of a public library established as a 1901 city or town library are open and free for the use and benefit of all of the residents of the library district.

(g) The fiscal officer of the municipality operating a public library under this section shall prepare and file with the municipal legislative body, before January 16 each year, an itemized statement, under oath, of all the receipts and disbursements of the library board for the year ending December 31 immediately preceding the preparing and filing of the report. The report must contain an itemized statement of:

(1) the sources of all receipts;

(2) all disbursements made; and

(3) the purpose for which each was made.

The annual report may be inspected by the citizens of the municipality and township in which the library is located.

Sec. 5. (a) A public library established as an 1881 city or county incorporation library that has filed the appropriate incorporation instrument in the proper recorder's office is a corporation and possesses all the rights, powers, and privileges given to corporations by common law to:

(1) sue and be sued;

(2) borrow money and secure the payment of the money by notes, mortgages, bonds, or deeds of trust upon the personal or real property of the public library;

(3) purchase, rent, lease, hold, sell, and convey real estate for the benefit of the corporation, and to erect and maintain suitable buildings to accomplish library purposes; and

(4) receive and accept donations, either of money or real estate, either by gift or devise, and to hold, use, mortgage, sell, and convey these donations for the benefit of the corporation, in the manner provided in the deed of gift or devise.

(b) The real and personal property of the corporation that is established as an 1881 city or county incorporation public library:

(1) is exempt from taxation for state, county, and municipal purposes; and

(2) remains exempt so long as the public library is used exclusively for the general benefit of the inhabitants of the city or county in which the library is located.

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(c) The corporation may establish and maintain a gallery of art and public reading rooms in connection with the corporation's library. The corporation may also maintain a public park either in connection with the corporation's library building or separate from the library building.

Sec. 6. (a) A public library established as an 1852 subscription library is a municipal corporation and possesses the power to:

(1) sue and be sued; and

(2) receive by donation books, money, paper, or other real or personal property for the library.

(b) The shareholders of the 1852 subscription library are the inhabitants of the municipality who have subscribed money for the establishment of the library. The shareholders shall annually elect seven (7) directors on the first Monday in January. However, if an annual election is omitted, the directors remain in office until the next annual election and until successors are chosen.

(c) The directors shall appoint one (1) director to be president at the meetings. The president may vote only in case of a tie vote. A majority of the directors constitutes a quorum. If a vacancy occurs among the directors, the remaining directors shall elect a new director to fill the vacancy, and the new director shall serve until the next annual election.

(d) The 1852 subscription library is governed by bylaws adopted by the directors of the public library.

(e) The directors may adopt a common seal.

(f) The directors may levy a tax on the shareholders not to exceed one dollar ($1) on each share during one (1) year. In addition, at the annual meeting, the shareholders may increase the tax to a sum not to exceed five dollars ($5) on each share during one (1) year.

(g) The shareholders may:

(1) appoint a treasurer and a librarian; or

(2) remove the treasurer or librarian;

at the pleasure of the shareholders.

Sec. 7. (a) The library board of a library established as an 1899 township library consists of the school township trustee in the township where the library is located and two (2) residents of the township who are appointed by the board of commissioners of the county where the library is located. Appointments are for a term of four (4) years. Members of the library board serve without compensation.

(b) The library board:

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(1) shall control the purchase of books and the management of the library;

(2) shall possess and retain custody of any books remaining in the old township library in the township where the library is located;

(3) may receive donations, bequests, and legacies on behalf of the library; and

(4) may receive copies of all documents of the state available for distribution from the director of the state library.

(c) The 1899 township library is the property of the school township. The school township trustee is responsible for the safe preservation of the township library.

(d) Two (2) or more adjacent townships may unite to maintain a township library. The library is controlled by either:

(1) a combined library board, which consists of each of the uniting township boards appointed under subsection (a); or

(2) the one (1) township library board appointed under subsection (a) of the uniting townships that receives funding for the operation of the uniting township library.

(e) The legislative body of any township that contains a library established as an 1899 township library may levy a tax annually of not more than three and thirty-three hundredths cents ($0.0333) on each one hundred dollars ($100) of taxable property assessed for taxation in the township. If the legislative body does not levy the tax, a petition signed by at least the number of registered voters required under IC 3-8-6-3 to place a candidate on the ballot may be filed with the circuit court clerk, who:

(1) shall determine if an adequate number of voters have signed the petition; and

(2) if an adequate number of voters have signed the petition, shall certify the public question to the county election board under IC 3-10-9-3. The county election board shall then cause to be printed on the ballot for the township the following question in the form prescribed by IC 3-10-9-4: "Shall a township library tax be levied?".

If a majority of the votes cast on the question in subdivision (2) are in the affirmative, the township trustee shall annually levy a tax of not less than one and sixty-seven hundredths cents ($0.0167) and not more than three and thirty-three hundredths cents ($0.0333) on each one hundred dollars ($100) of taxable property in the township for the establishment and support of a township library. The township tax shall be levied, assessed, collected, and paid

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according to the procedure outlined in IC 6-1.1.

(f) The tax levy under subsection (e) shall be discontinued when the question of discontinuing the levy has been submitted to a vote according to the procedure provided in subsection (e) and the majority of the votes cast on the question is in the negative.

(g) If a public library that is open for the use of all the residents of the township is located in the township, the proceeds of the tax collected under subsection (e) shall be paid to that public library.

(h) In a township outside a city that contains a library:

(1) established by private donations of the value of at least ten thousand dollars ($10,000), including the real estate and buildings used for the library; and

(2) used for the benefit of all the inhabitants of the township;

the township trustee of the township shall annually levy and collect not more than two cents ($0.02) on each one hundred dollars ($100) upon the taxable property within the limits of the township. The money shall be paid to the trustees of the library, to be applied by the trustees for the purchase of books and the payment of the maintenance costs for the library. When it becomes necessary to purchase additional ground for the extension or protection of library buildings already established by private donation, the trustee, with the consent of the county legislative body, may annually levy and collect not more than one and sixty-seven hundredths cents ($0.0167) on each one hundred dollars ($100) of taxable property of the township for not more than three (3) years successively, to be expended by the trustees for the purchase of property and the construction and enlargement of library buildings.

(i) The 1899 township library is free to all the residents of the township.

Sec. 8. (a) For a public library established:

(1) by private donation;

(2) in a city having a population of more than one hundred twenty thousand (120,000) but less than one hundred fifty thousand (150,000);

(3) that contains at least twenty-five thousand (25,000) volumes;

(4) that has real property valued at at least one hundred thousand dollars ($100,000); and

(5) that is open and free to the residents of the city;

a tax shall be levied and collected annually by the city according to IC 6-1.1.

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(b) The city legislative body shall levy the tax required under subsection (a) in an amount not less than sixty-seven hundredths of one cent ($0.0067) and not more than one and sixty-seven hundredths cents ($0.0167) on each one hundred dollars ($100) of the assessed valuation of all the real and personal property in the city. When the city levies the tax, the library under subsection (a) shall be treated as if the library were a public library for purposes of IC 6-1.1-18.5-13, and the legislative body may increase the legislative body's levy to the same extent as a public library under IC 6-1.1-18.5-13.

(c) The tax shall be paid to the trustees of the library. The trustees shall expend the tax for the support, operation, and maintenance of the library. The trustees shall keep the tax separate from all other funds. The trustees shall record:

(1) the amount of taxes received;

(2) to whom and when paid out; and

(3) for what purpose;

in a book kept by the trustees. The trustees shall make an annual report of the matters under this subsection to the legislative body of the city.

Chapter 8. Library Services Authorities

Sec. 1. (a) This chapter applies to the following:

(1) All public libraries.

(2) All other libraries that are supported by public funds but that are not organized under this article.

(3) All private corporations or organizations that provide library services.

(4) All library service authorities established under this chapter.

(b) The purpose of this chapter is to:

(1) encourage the development of all types of library services; and

(2) promote the efficient use of finances, personnel, materials, and property;

by enabling qualified entities to form library services authorities that will provide such services and facilities as the qualified entities determine.

Sec. 2. As used in this chapter, "library facilities" means:

(1) buildings, bookmobiles, rooms, or other definable and palpable structures or areas; and

(2) the library materials and equipment contained in the buildings, bookmobiles, rooms, or other definable and

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palpable structures or areas;

that are used in the operation or provision of library services.

Sec. 3. As used in this chapter, "library services" means the activities in which libraries engage:

(1) in the planning, management, budgeting, financing, purchasing, staffing, and evaluation of the libraries;

(2) in the selection, acquisition, processing, and maintenance of the collections of materials and the related bibliographic records; and

(3) in the promotion, interpretation, servicing, and use of the library materials and facilities.

Sec. 4. As used in this chapter, "qualified entities" include the following:

(1) A public library.

(2) A library that is supported by public funds but not established under this article.

(3) A private corporation or organization that provides library services.

(4) A library service authority established under this chapter.

Sec. 5. (a) Two (2) or more qualified entities, less than one-half (1/2) of which may be private corporations or organizations, may initiate a library services authority under this chapter by adopting a written joint agreement. The body or officer having the authority to sign contracts on behalf of a corporation or an organization may sign the joint agreement on behalf of the corporation or organization.

(b) The joint agreement must include the following details of the proposed library services authority:

(1) The name, to be given as _____ Library Services Authority.

(2) The official address and county of location of the principal place of business.

(3) A description of the library facilities to be operated and the library services to be provided.

(4) Specification of the place and of the convening chairperson who shall set the date and the time of the organizational meeting of the board of directors established under this chapter and who shall serve as temporary chairperson.

(5) The names of the qualified entities signing the agreement, which are to become participants in the library services authority.

(6) The date of the agreement.

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Sec. 6. (a) Upon the adoption of the joint agreement calling for the establishment of the library services authority by two (2) or more of the qualified entities, the agreement shall be submitted to the attorney general, who shall determine whether the agreement is:

(1) in proper form; and

(2) compatible with Indiana law.

The attorney general shall approve each agreement submitted unless the attorney general finds that the agreement is not legal. If the attorney general finds that an agreement is not legal, the attorney general shall detail in writing, addressed to each of the qualified entities adopting the agreement for the establishment of the library services authority, the specific respects in which the proposed agreement fails to meet the requirements of law. Failure to disapprove an agreement submitted under this chapter not more than thirty (30) days after the submission of the agreement constitutes approval of the agreement.

(b) The library services authority initiated by the joint agreement is legally established when the attorney general has approved the agreement either by:

(1) specific written approval; or

(2) the failure to indicate disapproval within the required time.

The qualified entities originally signing the agreement are members of the library services authority. A copy of the agreement and originally signed copies of the adopted resolutions, ordinances, orders, statements of participation, or other recorded acts must be filed with the Indiana state library not more than forty (40) days after the date of the submission of the agreement to the attorney general for action.

Sec. 7. The board of directors of the library services authority may change any detail of the joint agreement under this section upon the recommendation of the executive committee or petition of three (3) directors if notice of the proposed change is sent to each qualified entity that is a participant in the library services authority at least sixty (60) days before the meeting at which the change is to be considered. However, the application of a new qualified entity may be considered at any time. Upon approval of the change of the joint agreement, a notice of the action taken by the board of the library services authority must be filed with the Indiana state library.

Sec. 8. (a) After the legal establishment of the library services

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authority under this chapter, a qualified entity may become a participant in the library services authority after:

(1) adoption by resolution, ordinance, order, statement of participation, or other recorded act of the joint agreement as then in force;

(2) providing for the qualified entity's pro rata share, if any, of the library services authority's budget for the fiscal year in which the applicant wishes to join the authority;

(3) meeting all conditions provided in the bylaws or in the rules; and

(4) approval by a majority of the board of directors.

(b) If the qualified entity is a private corporation or organization and the qualified entity's participation would create the same number or more private participants than other participants in the library services authority, the qualified entity's participation does not take effect until there are sufficient other participants, after the admission of the applicant, to comply with section 5(a) of this chapter.

(c) The library services authority shall file with the Indiana state library an originally signed copy of the joint agreement and adopting action.

Sec. 9. (a) A qualified entity that is a participant in the library services authority may withdraw from the authority by a recorded act of the qualified entity:

(1) after the qualified entity has made provisions for the payment and performance of the qualified entity's obligations; and

(2) upon notification to the library services authority, six (6) months before the end of the fiscal year in which the qualified entity is participating in the library services authority, that the qualified entity is discontinuing the qualified entity's participation in the library services authority.

(b) Upon discontinuing participation in the library services authority, the discontinuing qualified entity relinquishes the qualified entity's rights to any funds, supplies, materials, equipment, or other real or personal property held by or belonging to the authority and in which the qualified entity had a right by virtue of the qualified entity's participation, unless provision to the contrary is made by the official action of the board of directors.

(c) Upon the receipt of notification to discontinue participation and the satisfaction of all obligations by the withdrawing participant, the board of directors shall officially note the

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withdrawal and shall file notice of the resulting change in the joint agreement:

(1) in the office of the recorder of the county in which the authority's principal place of business is located; and

(2) with the Indiana state library.

(d) The library services authority is dissolved when:

(1) the board of directors of the authority votes to dissolve the library services authority;

(2) the action is de facto by the notice of discontinuance of participation by the next to last remaining participant; or

(3) there is an excessive number of private qualified entities participating in the authority.

Upon the occurrence of any of the conditions listed in this subsection, the board of directors shall dispose of the assets by division among the participants at the time of dissolution and in the proportion and in the manner determined by the board of directors.

(e) A dissolution does not take effect until all legal and fiscal obligations of the library services authority have been satisfied and an official record of the dissolution is filed in the office of the recorder of the county in which the authority's principal place of business is located. Until the satisfaction of obligations has occurred and the record of dissolution has been filed, the final members of the authority continue to be members.

Sec. 10. (a) Not later than ten (10) days after the legal establishment of the library services authority, each qualified entity that is participating shall appoint a representative or representatives to the board of directors of the library services authority as follows:

(1) If there are fewer than four (4) participants in the library services authority, each qualified entity shall appoint four (4) directors to the board of directors.

(2) If there are more than three (3) but fewer than ten (10) participants in the library services authority, each qualified entity shall appoint two (2) directors.

(3) If there are ten (10) or more participants in the library services authority, each qualified entity shall appoint one (1) director.

(b) A director may be a member of the governing body of the qualified entity, a librarian, or any other person who in the opinion of the qualified entity will best serve the library interests of the qualified entity.

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Sec. 11. (a) Upon the expiration of the ten (10) day period prescribed by section 10 of this chapter, the directors who have been appointed shall meet as specified in the joint agreement and determine by lot, in as nearly equal groups as possible, as follows:

(1) The one-third (1/3) of the directors who have an initial term of one (1) year.

(2) The one-third (1/3) of the directors who have an initial term of two (2) years.

(3) The one-third (1/3) of the directors who have an initial term of three (3) years.

(b) The determination under subsection (a) is for the initial terms of office for all directors. After the initial terms end, all appointments to the board of directors are for three (3) years. Appointments to fill vacancies are for the unexpired term only.

Sec. 12. (a) Upon the determination of the initial terms of office of the directors, an executive committee shall be elected for a term of one (1) year from the membership of the board of directors by vote on nominations from the floor. The executive committee consists of:

(1) a president;

(2) a vice president;

(3) a secretary;

(4) a treasurer; and

(5) if the total number of directors for the library services authority exceeds eight (8), three (3) members at large.

The named offices have the duties and powers normally incumbent upon the offices.

(b) A director may not serve on the executive committee for more than four (4) consecutive years or in the same office for more than two (2) consecutive years. Executive committee elections shall be held annually in the manner prescribed by the bylaws of the library services authority.

(c) The treasurer:

(1) is the official custodian of all library services authority funds;

(2) is responsible for the proper safeguarding and accounting for all library services authority funds;

(3) shall issue warrants approved by the executive committee or the board in payment of expenses lawfully incurred in behalf of the library services authority; and

(4) shall make financial reports of library services authority funds and present the reports to the executive committee or

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board of directors as requested by the executive committee or board.

(d) The board of directors may prescribe the powers and duties of the treasurer consistent with this chapter.

(e) The treasurer shall give a surety bond for the faithful performance of the treasurer's duties and for the accurate accounting of all money coming into the treasurer's custody. The bond must be:

(1) written by an insurance company licensed to do business in Indiana;

(2) for the term of office of the treasurer;

(3) in an amount determined by the board of directors;

(4) paid for with money from library services authority funds;

(5) payable to the state;

(6) approved by the board of directors; and

(7) deposited in the office of the recorder of the county in which the library services authority is located.

(f) The executive committee, with the approval of the board of directors, may appoint a person, who may be an employee of the library services authority, to serve as assistant treasurer. The assistant treasurer:

(1) has the duties specified by the executive committee or the board;

(2) may be compensated for the performance of the treasurer's duties; and

(3) may be removed by the executive committee or the board of directors at any meeting of the committee or board by a majority vote of the entire membership of the body.

Sec. 13. (a) Not later than ten (10) days after the approval of a new participant under section 8 of this chapter, the new participant shall appoint as many directors as each of the other participants has appointed. The initial terms of the new directors shall be determined by the executive committee so that, as nearly as possible, the terms of one-third (1/3) of the total board of directors end each year.

(b) If the addition of a new participant increases the number of participants in the library services authority so that each participant would appoint fewer representatives to the board of directors, the board of directors shall be reestablished in the manner prescribed by section 10 of this chapter.

(c) Immediately after the organizational meeting of the board of directors, the board shall adopt bylaws providing for the board's

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procedures and management.

Sec. 14. (a) The board of directors of the library services authority:

(1) shall nominate and elect the board of directors' officers and participants of the executive committee;

(2) shall adopt bylaws, administrative procedures, and rules for the conduct of business of the board, the executive committee, and the library services authority;

(3) shall adopt a fiscal year;

(4) may change the address of the principal place of business of the authority;

(5) may consider and act upon recommendations of the executive committee in the matters specified in this section;

(6) may adopt rules governing the termination of directors for cause; and

(7) may deal with other appropriate matters.

(b) The board of directors shall meet at least annually. Special meetings may be called by the president or any three (3) directors. A quorum of appointed members of the board is required for the transaction of business. A concurrence of two-thirds (2/3) of the directors present is necessary to approve or to authorize any action. A director may designate an individual to vote as proxy for that director if written authorization is delivered to the secretary of the executive committee before a board of directors meeting. If a director votes by means of a proxy, the director shall be considered present at the meeting of the board of directors for purposes of constituting a quorum under this subsection and section 8 of this chapter.

(c) The executive committee of the library services authority shall manage and conduct the business of the library services authority. However, unless otherwise properly delegated to the executive committee or administrative personnel in the bylaws, the board of directors must approve:

(1) amendments to the joint agreement;

(2) the budget;

(3) statements of policy;

(4) rules;

(5) the development program and plans;

(6) the appointment of or arrangement for the chief administrative officer;

(7) legal matters;

(8) purchases of property and equipment in accordance with

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IC 5-22;

(9) contracts for the purchase of services, materials, equipment, and other real or personal property;

(10) sales of services or material other than sales of services for which the library services authority was created; and

(11) the acceptance or release of participants in the authority and related matters.

(d) In the discharge of the executive committee's duties, the executive committee shall meet at least quarterly. Special meetings may be called by the president or any two (2) participants of the executive committee. A majority of the committee participants constitutes a quorum for the transaction of business, and a concurrence of a majority of the participants of the executive committee is necessary to authorize any action.

(e) Except for the election of officers and adoption or amendment of the bylaws, the bylaws may provide that any action required or permitted to be taken at any meeting of the board of directors may be taken without a meeting if before the action a written consent to the action is signed by a majority of the board of directors appointed under section 10 of this chapter.

Sec. 15. For purposes of this chapter, a quorum consists of:

(1) a majority of the appointed members of the board of directors when there are one hundred (100) or fewer participants in the library services authority; or

(2) fifty-one (51) appointed members of the board of directors when there are more than one hundred (100) participants in the library services authority.

Chapter 9. Powers and Duties of Library Services Authorities

Sec. 1. This chapter applies to library services authorities established under IC 36-12-8.

Sec. 2. A library services authority is a municipal corporation and may exercise any powers, privileges, or authority exercised or capable of being exercised by a public agency of the state, except that of levying taxes.

Sec. 3. A library services authority may sue and be sued, and plead and be impleaded.

Sec. 4. A library services authority may establish, manage, maintain, and operate the library facilities and provide the library services specified in the joint agreement creating the library services authority.

Sec. 5. (a) A library services authority may:

(1) employ and delegate duties and responsibilities to a chief

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administrative officer and other employees that may be necessary for the performance of the authority's functions, or provide for a chief administrative officer or other employees by contract with:

(A) a library participant of the authority;

(B) another organization, institution, or company;

(C) an agency of government; or

(D) an individual;

(2) fix and pay the compensation of the employees;

(3) determine the number and duties of the employees; and

(4) remove or discharge employees.

(b) In exercising the powers under subsection (a)(1), the board of directors of the library services authority may reimburse:

(1) candidates for employment for expenses reasonably incurred while interviewing; and

(2) new employees for reasonable moving expenses.

If the board of directors exercises authority under this subsection, the board shall establish reasonable levels of reimbursement for the purposes of this subsection.

Sec. 6. A library services authority may purchase supplies, materials, and equipment to carry out the powers and duties of the board of directors.

Sec. 7. A library services authority may acquire and hold property, real or personal, by purchase, devise, lease, gift, or otherwise, and sell, exchange, or otherwise dispose of property, real or personal, no longer needed for purposes of the authority.

Sec. 8. (a) The executive committee of the library services authority shall prepare and adopt a budget annually for the operating expenditures of the library services authority and shall calculate the share of the budget to be charged to each participant in the authority according to the pro rata formula in rules adopted by the board of directors. The budget shall be submitted to the board of directors for adoption. After adoption of the budget by the board, the board shall submit a contract with the appropriate pro rata charges to each participant at least three (3) months before the fiscal year for which the budget of the participant is to be adopted.

(b) Each participant in the library services authority that signs a contract for pro rata charges in the ensuing fiscal year shall:

(1) include the charges in the participant's budget for the ensuing fiscal year; and

(2) provide the necessary funds with which to pay the

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contractual obligations under the participant's contract with the library services authority.

Sec. 9. (a) The library services authority shall deposit, hold, and expend all funds coming into the possession of the library services authority in accordance with IC 5-11.

(b) An officer or employee of the library services authority who is authorized to receive or disburse or in any other way handle funds and securities of the authority shall give a corporate surety bond, in an amount specified in the rules, for the faithful performance of the duties of the officer or employee and the proper accounting of all money and other property that may be under the control of the officer or employee. The cost of the bond, including the cost of filing and recording, shall be paid out of funds of the library services authority.

(c) A library services authority may invest excess funds:

(1) in securities lawfully issued by any municipal corporation; or

(2) in accordance with IC 5-13-9.

However, deposits may not be made in excess of the amount of insurance protection afforded a participant or investor of any of these institutions.

(d) A library services authority may establish any special funds that may be necessary for the purpose of accumulating sufficient money over two (2) or more fiscal years for:

(1) the purchase of specified real property or major equipment;

(2) making improvements to real property owned by the library services authority; or

(3) providing fee based services to members.

Each special fund must be established for a specific purpose and named for that purpose. Any funds accumulated but not expended under this subsection may be transferred and expended for any other legitimate purpose of the authority.

(e) The records of a library services authority are public records. All funds received, unless specifically excluded, are the property of the library services authority receiving them.

Sec. 10. A library services authority may establish and maintain or participate in programs of employee benefits, which may include the lawful disbursement of funds for expenses related to the educational or professional development of an individual employed by the library services authority, including:

(1) inservice training;

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(2) attending seminars or other special courses of instruction; and

(3) tuition reimbursement;

if the library services authority determines that the expenditures under this section directly benefit the operation of the library facilities or the provision of library services.

Sec. 11. A library services authority may report annually to each participant in the authority on the budget and expenditures, services rendered, program, plans for development, and any other information that may be appropriate.

Sec. 12. A library services authority may enter into all contracts and agreements necessary to the performance of the authority's duties and the execution of the library services authority's powers under this chapter.

Sec. 13. A library services authority may:

(1) establish and collect reasonable rates and charges for services rendered to the participants in the authority or others using the services of the authority; and

(2) require participants in the authority or others using the services of the authority to make prepayments for certain services.

Sec. 14. A library services authority may join and participate in, through designated employees or representatives, the meetings and activities of state and national associations of a civic, educational, professional, or governmental nature that have as their purpose the betterment and improvement of library operations.

Sec. 15. All property owned by the library services authority and all revenues received by the authority are exempt from taxation for all purposes.

Chapter 10. Leasing of Library Property

Sec. 1. This chapter applies to the following public corporations:

(1) A municipal corporation that operates and maintains library facilities.

(2) Any other public corporation, established by statute, that operates and maintains library facilities.

Sec. 2. (a) A public corporation may lease a library building or buildings for the use of the public corporation or of any joint or consolidated public corporation of which the public corporation is a part or to which the public corporation contributes, under the following conditions:

(1) A lease may not be entered into for a period of more than forty (40) years.

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(2) Before a lease is entered into, there must first be filed with the governing authority of the public corporation a petition signed by fifty (50) or more resident taxpayers of the public corporation.

(3) After investigation, the governing authority must determine that a need exists for the library building or buildings.

(4) The governing authority must determine that the public corporation cannot provide the necessary funds to pay the cost or the public corporation's proportionate share of the cost of the library building or buildings required to meet the present needs.

(b) If two (2) or more public corporations propose to enter into a lease jointly, joint meetings of the governing authority of the corporations may be held. Action taken is binding on a public corporation only if the action is approved by the public corporation's governing authority. A lease executed by two (2) or more public corporations as joint lessees must set out the amount of the total lease rental agreed upon to be paid by each. A lessee is entitled to occupancy only if the total rental is paid as stipulated in the lease. All rights of joint lessees under the lease must be proportionate to the amount of lease rental paid by each.

Sec. 3. (a) A public corporation may enter into a lease under this chapter only with a nonprofit corporation organized under Indiana law for the sole purpose of:

(1) acquiring real property;

(2) building, improving, constructing, or renovating a suitable library building or buildings, including the necessary equipment and appurtenances;

(3) leasing the library facilities to the public corporation or corporations; and

(4) collecting the rentals and applying the proceeds from the rentals in the manner provided in this chapter.

(b) The lessor corporation shall act entirely without profit to the corporation and the corporation's officers, directors, and members but is entitled to the return of capital actually invested, which includes:

(1) incorporation and organization expenses;

(2) financing costs;

(3) carrying charges;

(4) legal, contractors', and architects' fees; and

(5) any other capital cost.

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The lessor corporation is also entitled to sums sufficient to pay interest on outstanding securities or loans, and the cost of maintaining the corporation's existence and keeping the corporation's property free of encumbrance.

(c) Upon receipt of any amount of lease rental by the lessor corporation above the amount necessary to meet incidental corporate expenses and to pay interest on corporate securities or loans, the excess funds shall be applied to the redemption and cancellation of the corporation's outstanding securities or loans as soon as this may be done.

Sec. 4. (a) All contracts of lease must provide that:

(1) the public corporation or corporations have an option to renew the lease for a further term, with like conditions; or

(2) the property covered by the lease may be purchased after six (6) years from the execution of the lease and before the expiration of the term of the lease, on the date or dates in each year that are fixed, at a price equal to the amount required to enable the lessor corporation owning the site to:

(A) liquidate by paying all indebtedness, with accrued and unpaid interest; and

(B) recover the expenses and charges of liquidation.

(b) However, the purchase price prescribed by subsection (a)(2) may not exceed the capital actually invested in the property by the lessor corporation represented by outstanding securities or indebtedness plus the cost of transferring the property and liquidating the lessor corporation.

(c) A lease may not provide that any public corporation is under an obligation to purchase the leased library facilities or under an obligation in respect to the creditors, members, or other security holders of the lessor corporation.

Sec. 5. (a) The lessor corporation proposing to provide a library building or buildings, including necessary equipment and appurtenances, shall submit to the lessee or lessees, before the execution of a lease, preliminary plans, specifications, and estimates for the building or buildings.

(b) The final plans and specifications shall be submitted to the state department of health, state fire marshal, and any other agencies that are designated by law to pass on plans and specifications for library buildings. The final plans and specifications must be approved by these agencies and the lessee or lessees in writing before the construction of the building or buildings.

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Sec. 6. The lease may provide that, as a part of the lease rental for the library building or buildings, the lessee or lessees shall agree to:

(1) pay all taxes and assessments levied against or on account of the leased property;

(2) maintain insurance on the property for the benefit of the lessor corporation; and

(3) assume all responsibilities for repair and alterations with regard to the building or buildings during the term of the lease.

Sec. 7. (a) The public corporation or corporations may, in anticipation of the acquisition of real property and any necessary construction of a library building or buildings, including the necessary equipment and appurtenances, enter into a lease with the lessor corporation before actual acquisition of real property and any construction of the building or buildings. However, the lease may not provide for the payment of lease rental by the lessee or lessees until the building or buildings are complete and ready for occupancy, at which time the stipulated lease rental payments may begin.

(b) The contractor must be required under the lease to furnish to the lessor corporation a bond satisfactory to the corporation conditioned upon the final completion of the building or buildings within a period that may be provided in the contract.

Sec. 8. (a) When the lessor corporation and the public corporation or corporations have agreed upon the terms and conditions of a lease proposed to be entered into under this chapter and before the final execution of the lease, notice of a hearing shall be given by publication to all interested persons. The hearing shall be held before the governing authority, on a day not earlier than ten (10) days after the publication of the notice.

(b) The notice of the hearing shall be published one (1) time in a newspaper of general circulation printed in the English language in the district of the public corporation or in each public corporation district if the proposed lease is a joint lease. If a newspaper is not published in the district, the notice shall be published in any newspaper of general circulation published in the county. The notice must name the date, place, and time of the hearing and set forth a brief summary of the principal terms of the lease agreed upon, including:

(1) the location;

(2) the name of the proposed lessor corporation and character

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of the property to be leased;

(3) the rental to be paid; and

(4) the number of years the contract is to be in effect.

The proposed lease, drawings, plans, specifications, and estimates for the library building or buildings must be available for inspection by the public during the ten (10) day period under subsection (a) and at the meeting. All interested persons are entitled to be heard at the hearing regarding the necessity for the execution of the lease, and whether the rental provided for in the lease to be paid to the lessor corporation is a fair and reasonable rental for the proposed building or buildings. The hearing may be adjourned to a later date or dates, and following the hearing, the governing authority may either authorize the execution of the lease as originally agreed upon or may make modifications that have been agreed upon by the lessor corporation. The lease rentals as set out in the published notice may not be increased. The cost of the publication of the notice shall be paid by the lessor corporation.

Sec. 9. (a) If the execution of the lease as originally agreed upon, or as modified by agreement, is authorized by the library board, the library board shall give notice of the signing of the lease by publication one (1) time in a newspaper of general circulation printed in the English language in the district of the public corporation or in each public corporation district if the proposed lease is a joint lease. If a newspaper is not published in the district, the notice shall be published in any newspaper of general circulation published in the county.

(b) Fifty (50) or more taxpayers in the public corporation or corporations who will be affected by the proposed lease and who are of the opinion that the execution of the lease is not necessary or that the proposed rental is not a fair and reasonable rental may file a petition in the office of the county auditor of the county in which the public corporation or corporations are located. The petition must be filed not later than thirty (30) days after the publication of notice of the execution of the lease and must set forth objections and facts showing that the execution of the lease is unnecessary or unwise or that the lease rental is not fair and reasonable, as the case may be.

(c) Upon the filing of a petition, the county auditor shall immediately certify to the department of local government finance a copy of the petition, together with other data that may be necessary to present the questions involved. Upon receipt of the certified petition and information, the department of local

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government finance shall fix a time and place for a hearing of the matter not less than five (5) or more than thirty (30) days after the department's receipt of the petition and information. The hearing shall be held in the public corporation or corporations or in the county where the public corporations are located.

(d) Notice of the hearing shall be given by the department of local government finance to the members of the library board and to the first ten (10) taxpayer petitioners on the petition by a letter signed by the department of local government finance. The postage of the notice shall be prepaid, and the notice shall be addressed to the persons at their usual place of residence and mailed at least five (5) days before the date of the hearing. The decision of the department of local government finance on the appeal regarding the necessity for the execution of the lease and whether the rental is fair and reasonable is final. A lease may be amended by the parties by following the procedure under this chapter.

(e) An action to contest the validity of the lease or an amendment to the lease or to enjoin the performance of any of the terms and conditions of the lease must be brought not later than thirty (30) days after publication of notice of the execution of the lease or an amendment to the lease by the library board of the public corporation or corporations. If an appeal has been taken to the department of local government finance, action must be brought not later than thirty (30) days after the decision of the department.

Sec. 10. (a) The lessor corporation shall hold in fee simple the real property on which the library building or buildings exists or will be constructed. A public corporation or corporations proposing to lease the library building or buildings, either alone or jointly with another public corporation that owns the property, may sell the property to the lessor corporation in fee simple.

(b) Before a sale under this section may take place, the governing authority of the public corporation shall file a petition with the circuit court of the county in which the public corporation is located requesting the appointment of three (3) disinterested freeholders of the public corporation as appraisers to determine the fair market value of the real property. Upon their appointment, the three (3) appraisers shall fix the fair market value of the real property and report this amount to the circuit court not later than two (2) weeks from the date of their appointment. The public corporation may then sell the real property to the lessor corporation for an amount not less than the amount fixed as the

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fair market value by the appraisers. The amount shall be paid in cash upon delivery of the deed by the public corporation to the lessor corporation.

Sec. 11. (a) A corporation qualifying as a lessor corporation under this chapter may, in furtherance of the corporation's purposes, issue and sell bonds and other securities. Mortgage bonds issued by a lessor corporation that are a first lien on the leased property are legal and proper investments for state banks and trust companies, insurance companies, and fiduciaries. The bonds may be callable, with or without premiums, with accrued and unpaid interest upon notice provided in the mortgage indenture.

(b) All bonds and other securities issued by the lessor corporation must be advertised and sold in accordance with IC 5-1-11 at any interest rate.

(c) The approval of the securities division of the secretary of state is not required in connection with the issuance and sale of bonds or other securities of a public corporation.

Sec. 12. A public corporation may issue the corporation's general obligation bonds to procure funds to pay the cost of acquisition of real property. The bonds must be authorized, issued, and sold in accordance with IC 6-1.1-20.

Sec. 13. A public corporation that executes a lease under this chapter shall annually levy a special tax, in addition to other taxes authorized by law, sufficient to produce each year the necessary funds with which to pay the lease rental stipulated to be paid by the public corporation under the lease. A levy under this section shall be reviewed in accordance with IC 6-1.1-17. The first tax levy shall be made at the first annual tax levy period following the date of the execution of the lease. The first annual levy must be sufficient to pay the estimated amount of the first annual lease rental payment to be made under the lease.

Sec. 14. All property owned by a lessor corporation contracting with a public corporation or corporations under this chapter and all stock and other securities, including the interest or dividends issued by a lessor corporation, are exempt from all state, county, and other taxes, excluding the financial institutions tax and the inheritance taxes.

Chapter 11. Library Certification Board

Sec. 1. This chapter applies to both Class 1 and Class 2 libraries.

Sec. 2. As used in this chapter, "board" refers to the Indiana library and historical board established by IC 4-23-7-2.

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Sec. 3. As used in this chapter, "director" refers to the director of the Indiana state library appointed under IC 4-23-7.1-37.

Sec. 4. As used in this chapter, "practitioner" means an individual certified under this chapter.

Sec. 5. The board shall do the following:

(1) Prescribe and define grades of public library service and prescribe the qualifications that individuals must possess who are employed in each of the grades of public library service, giving due consideration to the population served and the income and salary schedule of each library.

(2) Make available the requirements for certification of all grades upon request and without charge to all prospective applicants.

(3) Issue certificates to candidates who apply for certificates and who, by reason of their academic or technical training and experience, are found to be suitable individuals to certify.

(4) Prescribe and define the qualifications of a library director, a head of a department or branch, or a professional assistant of a public library.

(5) Adopt rules under IC 4-22-2 that the board determines are necessary to administer this chapter.

Sec. 6. All library directors, library department or branch heads, and professional assistants, except those who are employed at school libraries or libraries of educational institutions, must hold a certificate under section 7 of this chapter.

Sec. 7. (a) An individual who:

(1) desires to be certified as a librarian in a designated division, grade, or type of public library service; and

(2) possesses the qualifications prescribed in the rules of the board as essential to enable an individual to apply for a certificate;

may apply to the board for a certificate in any grade or grades of public library service.

(b) The application must be:

(1) made on a form prescribed and supplied by the board; and

(2) accompanied by the fee set by the board under section 11 of this chapter.

(c) If the application is found to be satisfactory, the applicant is entitled to a certificate in the grade or grades of public library service for which the applicant applied.

Sec. 8. (a) An individual who is actively engaged or expects to engage actively in:

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(1) a grade or class of private library service; or

(2) the library service of a school or another educational institution;

whether the individual is or expects to be a library director, or the head of a department or branch of a private library or of the library of a school or an educational institution, may apply for a certificate of a grade or class.

(b) If an individual is found to be competent and qualified, the individual shall be granted the certificate applied for in the same manner and subject to the same conditions as are provided for the certification of librarians in public libraries under section 7 of this chapter.

Sec. 9. To prevent unjust and arbitrary exclusions by other states of certified librarians who have complied with the requirements of Indiana law, the board may adopt rules necessary for the reciprocal recognition of certificates for librarians issued by other states whose qualifications for library service are at least as high as the qualifications in Indiana. To effect this section, the board shall consider the recommendations of the American Library Association.

Sec. 10. All fees collected under this chapter constitute a separate account of the state general fund, known as the library certification account, which shall be used to defray expenses incurred in the administration of this chapter. The balance in this account at the end of any fiscal year does not revert to the state general fund but is carried forward and available for the succeeding fiscal year.

Sec. 11. (a) The board shall adopt rules under IC 4-22-2 to set fees to be paid by an individual who applies for certification under section 7 of this chapter. If the board has not set a fee by rule for a particular type of application, the fee is one dollar ($1).

(b) Payment of fees set under this section may be made by any of the following:

(1) Cash.

(2) A draft.

(3) A money order.

(4) A cashier's check.

(5) A certified check.

(6) A personal check.

If an individual pays a fee with an uncertified personal check and the check does not clear the bank, the board may void the certificate for which the check was received.

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(c) Unless specified by the rules of the board, a fee is not refundable or transferable.

(d) Fees shall be paid to the library certification account established under section 10 of this chapter.

Sec. 12. The office of the attorney general, under the conditions specified in this chapter, may receive, investigate, and prosecute complaints concerning a practitioner.

Sec. 13. The director is responsible for investigation of complaints concerning a practitioner.

Sec. 14. All complaints concerning a practitioner must be written, signed by the complainant, and initially filed with the director. Except for an employee of the attorney general's office acting in an official capacity, a complaint may be filed by any individual, including a member of the board.

Sec. 15. The director has the following duties and powers:

(1) The director shall make an initial determination as to the merit of a complaint. The director shall submit a copy of a complaint having merit to the board. Except as otherwise provided by this chapter, the board acquires jurisdiction over the complaint upon submission of the complaint to the board by the director.

(2) The director shall notify the practitioner of the nature and ramifications of the complaint and of the duty of the board to attempt to resolve the complaint through negotiation.

(3) The director shall report any pertinent information regarding the status of the complaint to the complainant.

(4) The director may investigate any written complaint against a practitioner. The director shall limit the investigation to areas that appear to be in violation of this chapter or rules adopted under this chapter.

(5) The director may:

(A) subpoena witnesses; or

(B) send for and compel the production of books, records, papers, and documents;

in relation to an investigation under this chapter. The circuit or superior court located in the county where a subpoena is to be issued shall enforce the subpoena.

Sec. 16. For thirty (30) days after the director has notified the board and the practitioner that a complaint has been filed, the director shall not conduct an investigation or take any action, unless requested by the board. If, during the thirty (30) days, the board requests an extension of the thirty (30) day period, the

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director shall extend the period for not more than twenty (20) days.

Sec. 17. If before the director files a report with the attorney general under section 19 of this chapter, the director receives a statement:

(1) signed by the practitioner and the complainant; and

(2) stating that the complaint has been resolved;

the director may not take further action.

Sec. 18. If at any time during the thirty (30) day period or an extension period described in section 16 of this chapter the board notifies the director of the board's intention not to proceed further to resolve the complaint, the director may proceed immediately to continue to pursue the complaint under this chapter.

Sec. 19. If there has not been a statement filed under section 17 of this chapter, and if after conducting an investigation the director believes the practitioner should be subject to disciplinary sanctions by the board, the director shall file a report with the attorney general. Upon receiving the director's report, the attorney general may prosecute the matter before the board on behalf of the state.

Sec. 20. Notwithstanding section 19 of this chapter, if the board requests, the attorney general shall prosecute the matter before the board on behalf of the state.

Sec. 21. (a) IC 4-21.5 applies to proceedings to discipline a practitioner under this chapter.

(b) The board is the ultimate authority under IC 4-21.5.

Sec. 22. (a) A complaint and information pertaining to the complaint are confidential until the attorney general files notice with the board of intent to prosecute the practitioner.

(b) Unless required to do so under law or in furtherance of an investigation, an individual employed by the office of the attorney general, the board, or the director may not disclose or further the disclosure of information concerning a complaint.

Sec. 23. A practitioner may be disciplined under section 26 of this chapter if after a hearing the board finds any of the following:

(1) The practitioner has:

(A) employed or knowingly cooperated in fraud or material deception in order to obtain a certificate issued under this chapter;

(B) engaged in fraud or material deception in the course of professional services or activities; or

(C) advertised services in a false or misleading manner.

(2) The practitioner has been convicted of a crime that has a direct bearing on the practitioner's ability to practice

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competently.

(3) The practitioner has knowingly violated a rule adopted by the board.

(4) The practitioner has continued to practice although the practitioner has become unfit to practice due to:

(A) professional incompetence;

(B) failure to keep abreast of current professional theory or practice;

(C) physical or mental disability; or

(D) addiction or severe dependency upon alcohol or other drugs that endangers the public by impairing a practitioner's ability to practice safely.

(5) The practitioner has engaged in a course of lewd or immoral conduct in connection with the practitioner's practice.

Sec. 24. The board may order a practitioner to submit to a reasonable physical or mental examination if the practitioner's physical or mental capacity to practice safely is at issue in a disciplinary proceeding.

Sec. 25. Failure of a practitioner to comply with a board order to submit to a physical or mental examination renders the practitioner liable to the summary suspension procedures under section 27 of this chapter.

Sec. 26. The board may impose any of the following sanctions, singly or in combination, if the board finds a practitioner has committed an offense under section 23 of this chapter:

(1) Permanently revoke the practitioner's certificate.

(2) Suspend the practitioner's certificate.

(3) Censure the practitioner.

(4) Issue a letter of reprimand.

(5) Place the practitioner on probation status and require the practitioner to:

(A) report regularly to the board upon the matters that are the basis of the probation;

(B) limit practice to those areas prescribed by the board; or

(C) continue or renew professional education under a practitioner approved by the board until a satisfactory degree of skill has been attained in those areas that are the basis of the probation.

The board may withdraw the probation if the board finds that the deficiency that required disciplinary action has been remedied.

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Sec. 27. The board may summarily suspend a practitioner's certificate for ninety (90) days in advance of final adjudication or during the appeals process if the board finds that the practitioner represents a clear and immediate danger to the public health and safety if the practitioner is allowed to continue to practice. The summary suspension may be renewed upon a hearing before the board, and each renewal may be for ninety (90) days or less.

Sec. 28. The board may reinstate a certificate that has been suspended under this chapter if after a hearing the board is satisfied that the applicant is able to practice with reasonable skill and safety. As a condition of reinstatement, the board may impose disciplinary or corrective measures authorized under this chapter.

Sec. 29. The board shall seek to achieve consistency in the application of sanctions authorized in this chapter, and significant departures from prior decisions involving similar conduct shall be explained in the board's findings or orders.

Chapter 12. Library Capital Projects Fund

Sec. 1. As used in this chapter, "emergency" means:

(1) when used with respect to repair or replacement, a fire, flood, windstorm, mechanical failure of any part of a structure, or other unforeseeable circumstance; and

(2) when used with respect to site acquisition, the unforeseeable availability of real property for purchase.

Sec. 2. (a) A library district may establish a capital projects fund.

(b) With respect to a facility used or to be used by the library district, the fund may be used to pay for the following:

(1) Planned construction, repair, replacement, or remodeling.

(2) Site acquisition.

(3) Site development.

(4) Repair, replacement, or site acquisition that is necessitated by an emergency.

(c) Money in the fund may be used to pay for the purchase, lease, or repair of equipment to be used by the library district.

(d) The fund may be used to pay for the purchase, lease, upgrading, maintenance, or repair of computer hardware or software.

Sec. 3. (a) Before a library board may collect property taxes for a capital projects fund in a particular year, the library board must, after January 1 and before May 15 of the immediately preceding year, hold a public hearing on a proposed plan, pass a resolution to adopt a plan, and submit the plan for approval or rejection by the

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fiscal body designated in section 4 of this chapter.

(b) The department of local government finance shall prescribe the format of the plan. A plan must apply to at least the three (3) years immediately following the year the plan is adopted. A plan must estimate for each year to which the plan applies the nature and amount of proposed expenditures from the capital projects fund. A plan must estimate:

(1) the source of all revenue to be dedicated to the proposed expenditures in the upcoming budget year; and

(2) the amount of property taxes to be collected in that year and retained in the fund for expenditures proposed for a later year.

(c) If a hearing is scheduled under subsection (a), the governing body shall publish the proposed plan and a notice of the hearing in accordance with IC 5-3-1-2(b).

Sec. 4. (a) If the library board passes a resolution under section 3 of this chapter, not later than ten (10) days after passing the resolution the board shall transmit a certified copy of the plan to the appropriate fiscal body or fiscal bodies, whichever applies. The appropriate fiscal body is determined as follows:

(1) If the library district is located entirely within the corporate boundaries of a municipality, the appropriate fiscal body is the fiscal body of the municipality.

(2) If the library district is not described by subdivision (1) and the district is located entirely within the boundaries of a township, the appropriate fiscal body is the fiscal body of the township.

(3) If the library district is not described by subdivision (1) or (2), the appropriate fiscal body is the fiscal body of each county in which the library district is located.

(b) The appropriate fiscal body shall hold a public hearing on the plan not later than thirty (30) days after receiving a certified copy of the plan and either reject or approve the plan before August 1 of the year that the plan is received.

Sec. 5. (a) If the library board passes a resolution under section 3 of this chapter and the appropriate fiscal body or bodies approve the plan, the library board shall submit the resolution and the plan to the department of local government finance. If the department of local government finance determines that:

(1) the library board has correctly advertised the plan under section 3(c) of this chapter;

(2) the plan was adopted by the library board and approved

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by the appropriate fiscal body or bodies; and

(3) the plan conforms to the format prescribed by the department;

the department shall require notice of the submission to be given to the taxpayers of the library district in accordance with IC 5-3-1-2(b).

(b) Ten (10) or more taxpayers who will be affected by the adopted plan may file a petition with the county auditor of a county in which the library district is located not later than ten (10) days after the publication, setting forth the taxpayers' objections to the proposed plan. The county auditor shall immediately certify the petition to the department of local government finance.

Sec. 6. The department of local government finance shall, within a reasonable time, fix a date for a hearing on the petition filed under section 5(b) of this chapter. The hearing shall be held in a county in which the library district is located. The department of local government finance shall notify:

(1) the library board; and

(2) the first ten (10) taxpayers whose names appear on the petition;

at least five (5) days before the date fixed for the hearing.

Sec. 7. (a) After a hearing upon the petition under section 6 of this chapter, the department of local government finance shall certify the department's approval, disapproval, or modification of the plan to the library board and the auditor of the county.

(b) A:

(1) taxpayer who signed a petition filed under section 5 of this chapter; or

(2) library district against which a petition under section 5 of this chapter is filed;

may petition for judicial review of the final determination of the department of local government finance under subsection (a). The petition must be filed in the tax court not more than forty-five (45) days after the department certifies the department's action under subsection (a).

Sec. 8. The department of local government finance may approve appropriations from the capital projects fund only if the appropriations conform to a plan that has been adopted and approved in compliance with this chapter.

Sec. 9. (a) A library board may amend an adopted and approved plan to:

(1) provide money for the purposes described in section

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2(b)(4) of this chapter; or

(2) supplement money accumulated in the capital projects fund for those purposes.

(b) If an emergency arises that results in costs that exceed the amount accumulated in the fund for the purposes described in section 2(b)(4) of this chapter, the library board must immediately apply to the department of local government finance for a determination that an emergency exists. If the department of local government finance determines that an emergency exists, the library board may adopt a resolution to amend the plan. The amendment is not subject to the deadline and the procedures for adoption described in section 3 of this chapter. However, the amendment is subject to modification by the department of local government finance.

(c) An amendment adopted under this section may require the payment of eligible emergency costs from:

(1) money accumulated in the capital projects fund for other purposes; or

(2) money to be borrowed from other funds of the library board or from a financial institution.

The amendment may also provide for an increase in the property tax rate for the capital projects fund to restore money to the fund or to pay principal and interest on a loan. However, before the property tax rate for the fund may be increased, the library board must submit and obtain the approval of the appropriate fiscal body or bodies, as provided in section 4 of this chapter. An increase to the property tax rate for the capital projects fund is effective for property taxes first due and payable for the year next certified by the department of local government finance under IC 6-1.1-17-16. However, the property tax rate may not exceed the maximum rate established under section 10 of this chapter.

Sec. 10. To provide for the capital projects fund, the library board may, for each year in which a plan adopted under section 3 of this chapter is in effect, impose a property tax rate that does not exceed one and sixty-seven hundredths cents ($0.0167) on each one hundred dollars ($100) of assessed valuation of the library district. This rate must be advertised in the same manner as other property tax rates.

Sec. 11. Interest on the capital projects fund, including the fund's pro rata share of interest earned on the investment of total money on deposit, shall be deposited in the fund. The library board may allocate the interest among the accounts within the fund.

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Sec. 12. The department of local government finance may adopt rules under IC 4-22-2 to implement this chapter.

Chapter 13. Interstate Library Compact

Sec. 1. This chapter applies to Indiana and any state bordering Indiana that joins in the interstate library compact.

Sec. 2. (a) The appropriate officials and agencies of the party states or a political subdivision as defined in IC 36-1-2-13 may, on behalf of the party states or political subdivision, enter into agreements under the interstate library compact for cooperative or joint conduct of library services if the party states or political subdivision finds that the distribution of population makes the provision of library service on an interstate basis the most effective way to provide adequate and efficient services.

(b) Agreements under the interstate library compact entered into on behalf of the state shall be made by the compact administrator.

(c) Agreements under the interstate library compact entered into on behalf of one of the state's political subdivisions shall be made after giving notice to the compact administrator and after consulting with the compact administrator about the agreement.

Sec. 3. The director of the Indiana state library, ex officio, is the compact administrator. The compact administrator shall:

(1) receive copies of all agreements entered into by the state or a political subdivision of the state and other party states or political subdivisions;

(2) consult with, advise, and aid the political subdivisions in the formulation of interstate library compact agreements;

(3) make recommendations to the governor, the general assembly, governmental agencies, and political subdivisions that are desirable to effectuate the purposes of this compact; and

(4) consult and cooperate with the compact administrators of other party states.

Sec. 4. An interstate library compact agreement must:

(1) detail the specific nature of the services, facilities, properties, or personnel to which the compact is applicable;

(2) provide for the allocation of costs and other financial responsibilities;

(3) specify the respective rights, duties, obligations, and liabilities; and

(4) stipulate the terms and conditions for duration, renewal, termination, abrogation, disposal of joint or common

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property, if any, and all other matters that may be appropriate to the proper effectuation and performance of the agreement.

Sec. 5. A compact continues in force and remains binding on each party state until six (6) months after a state has given notice of repeal by the legislature. The repeal of an interstate library compact chapter does not relieve any party to an interstate library compact agreement from the obligation of that agreement before the end of the compact's stipulated period of duration.

Sec. 6. The agencies and officers of this state and political subdivisions of the state shall enforce the compact and do all things appropriate within their power to effect the compact's purpose and intent.

SECTION 50. IC 2-3.5-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) A member of the general assembly who is serving on April 30, 1989, may elect to become a participant in both the defined benefit plan and the defined contribution plan of the legislators' retirement system, as provided by IC 2-3.5-3-1. If such a member does not elect to become a participant in the legislators' retirement system, that member is not affected by this article and is instead covered by IC 5-10.2, IC 5-10.3, and IC 21-6.1.

(b) Notwithstanding IC 5-10.3-7-2 or any other law, a member of the general assembly who is a participant in the legislators' defined benefit plan shall also be a member of PERF or TRF while serving in another position covered by PERF or TRF. However, the following provisions apply to a participant who is also a member of PERF or TRF:

(1) The PERF board or TRF board shall include the participant's years of service in the general assembly in the determination of eligibility for benefits under PERF or TRF.

(2) Except as provided in subdivision (4), the PERF board or TRF board shall not include in the computation of benefits from PERF or TRF the participant's:

(A) salary as a member of the general assembly; or

(B) years of service as a member of the general assembly.

(3) The participant is not required to make annuity contributions to PERF or TRF for service as a member of the general assembly after July 1, 1989.

(4) IC 5-10.2-4-3.1 and the special provisions for members of the general assembly in IC 5-10.2-3-7.5, IC 5-10.3-7-3, IC 5-10.3-7-7, IC 5-10.3-8-2, ~~IC 20-6.1-6-14,~~ **IC 20-28-10-16,** and IC 21-6.1-5-7.5 do apply to the determination of the participant's

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benefits under PERF and TRF for benefits earned before July 1, 1989. IC 5-10.2-4-3.1 and the special provisions for members of the general assembly in IC 5-10.2-3-7.5, IC 5-10.3-7-3, IC 5-10.3-7-7, IC 5-10.3-8-2, ~~IC 20-6.1-6-14(c),~~ **IC 20-28-10-16(b),** and IC 21-6.1-5-7.5 do not apply to the determination of the participant's benefits under PERF or TRF for benefits earned after June 30, 1989.

SECTION 51. IC 2-3.5-1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) A member of the general assembly who:

(1) served as a member of the general assembly before April 30, 1989;

(2) was not serving as a member of the general assembly on April 30, 1989; and

(3) is subsequently elected or appointed to the general assembly;

is a participant in the defined contribution plan of the legislators' retirement system.

(b) The PERF and TRF benefits earned by a participant described in subsection (a) before July 1, 1989, for service as a member of the general assembly or in another covered position, are not affected by this article. However, the following provisions apply to such a participant who is also a member of PERF or TRF:

(1) The PERF board or TRF board shall include the participant's years of service in the general assembly in the determination of eligibility for benefits under PERF or TRF.

(2) The PERF board or TRF board shall not include in the computation of benefits from PERF or TRF the participant's:

(A) salary as a member of the general assembly that is received after July 1, 1989; or

(B) years of service as a member of the general assembly after July 1, 1989.

(3) The participant is not required to make annuity contributions to PERF or TRF for service as a member of the general assembly after July 1, 1989.

(4) If IC 5-10.2-4-3.1 or any of the special provisions for members of the general assembly in IC 5-10.2-3-7.5, IC 5-10.3-7-3, IC 5-10.3-7-7, IC 5-10.3-8-2, ~~IC 20-6.1-6-14,~~ **IC 20-28-10-16,** and IC 21-6.1-5-7.5 applied to the determination of the participant's benefits under PERF or TRF before July 1, 1989, those provisions do not apply to the determination of the participant's benefits under PERF or TRF for benefits earned after July 1, 1989.

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SECTION 52. IC 3-7-24-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. Each public library or county contractual public library established under ~~IC 20-14~~ **IC 36-12** is a distribution site for registration by mail forms.

SECTION 53. IC 3-8-2-2.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2.2. (a) A candidate for a school board office must file a petition of nomination in accordance with IC 3-8-6 and as required under ~~IC 20-3~~ **IC 20-23-12, IC 20-23-14,** or ~~IC 20-4.~~ **IC 20-23-4.** The petition of nomination, once filed, serves as the candidate's declaration of candidacy for a school board office.

(b) A candidate for a school board office is not required to file a statement of organization for the candidate's principal committee by noon seven (7) days after the final date for filing a petition of nomination or declaration of intent to be a write-in candidate unless the candidate has received contributions or made expenditures requiring the filing of a statement under IC 3-9-1-5.5.

SECTION 54. IC 3-12-9-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) Whenever a tie vote at an election for:

(1) a federal office;
(2) a state office (other than governor and lieutenant governor);
(3) a legislative office;
(4) a circuit office; or
(5) a school board office not covered under ~~IC 20-4-1~~ **IC 20-23-4** or ~~IC 20-4-8;~~ **IC 20-23-7.**

occurs, a special election shall be held.

(b) Whenever a tie vote occurs at a primary election for the nomination of a candidate to be voted for at the general or municipal election, IC 3-13-1-17 applies.

SECTION 55. IC 4-1-8-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) No individual may be compelled by any state agency, board, commission, department, bureau, or other entity of state government (referred to as "state agency" in this chapter) to provide the individual's Social Security number to the state agency against the individual's will, absent federal requirements to the contrary. However, the provisions of this chapter do not apply to the following:

(1) Department of state revenue.
(2) Department of workforce development.
(3) The programs administered by:
  (A) the division of family and children;
  (B) the division of mental health and addiction;

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(C) the division of disability, aging, and rehabilitative services; and

(D) the office of Medicaid policy and planning;

of the office of the secretary of family and social services.

(4) Auditor of state.

(5) State personnel department.

(6) Secretary of state, with respect to the registration of broker-dealers, agents, and investment advisors.

(7) The legislative ethics commission, with respect to the registration of lobbyists.

(8) Indiana department of administration, with respect to bidders on contracts.

(9) Indiana department of transportation, with respect to bidders on contracts.

(10) Health professions bureau.

(11) Indiana professional licensing agency.

(12) Indiana department of insurance, with respect to licensing of insurance producers.

(13) A pension fund administered by the board of trustees of the public employees' retirement fund.

(14) The Indiana state teachers' retirement fund.

(15) The state police benefit system.

(16) The alcohol and tobacco commission.

(b) The bureau of motor vehicles may, notwithstanding this chapter, require the following:

(1) That an individual include the individual's Social Security number in an application for an official certificate of title for any vehicle required to be titled under IC 9-17.

(2) That an individual include the individual's Social Security number on an application for registration.

(3) That a corporation, limited liability company, firm, partnership, or other business entity include its federal tax identification number on an application for registration.

(c) The Indiana department of administration, the Indiana department of transportation, the health professions bureau, and the Indiana professional licensing agency may require an employer to provide its federal employer identification number.

(d) The department of correction may require a committed offender to provide the offender's Social Security number for purposes of matching data with the Social Security Administration to determine benefit eligibility.

(e) The Indiana gaming commission may, notwithstanding this

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chapter, require the following:

(1) That an individual include the individual's Social Security number in any application for a riverboat owner's license, supplier's license, or occupational license.

(2) That a sole proprietorship, a partnership, an association, a fiduciary, a corporation, a limited liability company, or any other business entity include its federal tax identification number on an application for a riverboat owner's license or supplier's license.

(f) Notwithstanding this chapter, the professional standards board established by ~~IC 20-1-1.4-2~~ **IC 20-28-2-1** may require an individual who applies to the board for a license or an endorsement to provide the individual's Social Security number. The Social Security number may be used by the board only for conducting a background investigation, if the board is authorized by statute to conduct a background investigation of an individual for issuance of the license or endorsement.

SECTION 56. IC 4-6-2-1.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1.5. (a) Whenever any state governmental official or employee, whether elected or appointed, is made a party to a suit, and the attorney general determines that said suit has arisen out of an act which such official or employee in good faith believed to be within the scope of his duties as prescribed by statute or duly adopted regulation, the attorney general shall defend such person throughout such action.

(b) Whenever a teacher (as defined in ~~IC 20-6.1-1-8)~~ **IC 20-18-2-22)** is made a party to a civil suit, and the attorney general determines that the suit has arisen out of an act that the teacher in good faith believed was within the scope of the teacher's duties in enforcing discipline policies developed under ~~IC 20-8.1-5-2(c),~~ **IC 20-33-8-12,** the attorney general shall defend the teacher throughout the action.

(c) A determination by the attorney general under subsection (a) or (b) shall not be admitted as evidence in the trial of any such civil action for damages.

(d) Nothing in this chapter shall be construed to deprive any such person of ~~his~~ **the person's** right to select counsel of ~~his~~ **the person's** own choice at ~~his~~ **the person's** own expense.

SECTION 57. IC 4-10-15-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. The warrants may be drawn for the necessary and current expenses of the following:

(1) All psychiatric hospitals (as defined in IC 12-7-2-184).

(2) The Indiana School for the Deaf, established by ~~IC 20-16.~~ **IC 20-22-2-1.**

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(3) The Indiana School for the Blind, established by ~~IC 20-15.~~ **IC 20-21-2-1.**

(4) The Indiana Veterans' Home.

(5) The Plainfield Juvenile Correctional Facility.

SECTION 58. IC 4-12-1-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13. (a) During the interval between sessions of the general assembly, the budget agency shall make regular or, at the request of the governor, special inspections of the respective institutions of the state supported by public funds. The budget agency shall report regularly to the governor relative to the physical condition of such institutions, and any contemplated action of the institution on a new or important matter, and on any other subject which such agency may deem pertinent or on which the governor may require information. The budget agency shall likewise familiarize itself with the best and approved practices in each of such institutions and supply such information to other institutions to make their operation more efficient and economical.

(b) Except as to officers and employees of universities and colleges supported in whole or in part by state funds, the executive secretary of the governor, the administrative assistants to the governor, the elected officials, and persons whose salaries or compensation are fixed by the governor pursuant to law, the annual compensation of all persons employed by agencies of the state shall be subject to the approval of the budget agency. Except as otherwise provided by IC 4-15-1.8 and IC 4-15-2, the budget agency shall establish classifications and schedules for fixing compensation, salaries and wages of all classes and types of employees of any state agency or state agencies, and any and all other such classifications affecting compensation as the budget agency shall deem necessary or desirable. The classifications and schedules thus established shall be filed in the office of the budget agency. Requests by an appointing authority for salary and wage adjustments or personal service payments coming within such classifications and schedules shall become effective when approved by, and upon the terms of approval fixed by, the budget agency. All personnel requests pertaining to the staffing of programs or agencies supported in whole or in part by federal funds are subject to review and approval by the state personnel department under IC 4-15-1.8 and IC 4-15-2.

(c) The budget agency shall review and approve, for the sufficiency of funds, all payments for personal services which are submitted to the auditor of state for payment.

(d) The budget agency shall review all contracts for personal

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services or other services and no contract for personal services or other services may be entered into by any agency of the state before the written approval of the budget agency is given. Each demand for payment submitted by an agency to the auditor of state under these contracts must be accompanied by a copy of the budget agency approval. No payment may be made by the auditor of state without such approval. However, this subsection does not apply to a contract entered into by:

(1) a college or university supported in whole or in part by state funds; or

(2) an agency of the state if the contract is not required to be approved by the budget agency under IC 4-13-2-14.1.

(e) The budget agency shall review and approve the policy and procedures governing travel prepared by the department of administration under IC 4-13-1, before the travel policies and procedures are distributed.

(f) The budget agency is responsible for reviewing and advising the governor, as chief executive of the state, or the governor's designee, as to whether any agreement reached pursuant to public employee collective bargaining as provided by statute, other than ~~IC 20-7.5-1,~~ **IC 20-29,** is within the money legally available to the state as an employer.

(g) The budget director, or the director's designee, may serve as a member of the negotiating team selected to represent the state as an employer in the public employee collective bargaining procedure pursuant to statute, other than ~~IC 20-7.5-1.~~ **IC 20-29.**

(h) The budget agency may adopt such policies and procedures not inconsistent with law as it may deem advisable to facilitate and carry out the powers and duties of the agency, including the execution and administration of all appropriations made by law. IC 4-22-2 does not apply to these policies and procedures.

SECTION 59. IC 4-12-12-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. Money in the account that is not otherwise designated under section 3 of this chapter is annually dedicated to the following:

(1) The certified school to career program and grants under IC 22-4.1-8.

(2) The certified internship program and grants under IC 22-4.1-7.

(3) The Indiana economic development partnership fund under IC 4-12-10.

(4) Minority training program grants under IC 22-4-18.1-11.

(5) Technology apprenticeship grants under ~~IC 20-1-18.7.~~

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IC 20-20-32.

(6) The back home in Indiana program under IC 22-4-18.1-12.

(7) The Indiana schools smart partnership under IC 22-4.1-9.

(8) The scientific instrument project within the department of education.

(9) The coal technology research fund under IC 4-4-30-8.

SECTION 60. IC 4-13-1.6-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) As used in this chapter, "major equipment item" refers to any item that a school corporation considers:

(1) a significant equipment purchase; and

(2) reasonably likely to be purchased by several school corporations.

(b) The term does not include the following:

(1) A textbook that has been adopted under ~~IC 20-10.1-9.~~ **IC 20-20-5.**

(2) A special purpose bus (as defined in ~~IC 20-9.1-1-4.5).~~ **IC 20-27-2-10).**

(3) A school bus (as defined in ~~IC 20-9.1-1-5).~~ **IC 20-27-2-8).**

SECTION 61. IC 4-13-1.6-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. As used in this chapter, "school corporation" has the meaning set forth in ~~IC 20-10.1-1-1.~~ **IC 20-18-2-16.**

SECTION 62. IC 4-13-2-20, AS AMENDED BY HEA 1003-2005, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 20. (a) Except as otherwise provided in this section, ~~IC 20-1-1.8-17.2,~~ **IC 12-17-19-19,** or IC 12-8-10-7, payment for any services, supplies, materials, or equipment shall not be paid from any fund or state money in advance of receipt of such services, supplies, materials, or equipment by the state.

(b) With the prior approval of the budget agency, payment may be made in advance for any of the following:

(1) War surplus property.

(2) Property purchased or leased from the United States government or its agencies.

(3) Dues and subscriptions.

(4) License fees.

(5) Insurance premiums.

(6) Utility connection charges.

(7) Federal grant programs where advance funding is not prohibited and, except as provided in subsection (i), the contracting party posts sufficient security to cover the amount

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advanced.

(8) Grants of state funds authorized by statute.

(9) Employee expense vouchers.

(10) Beneficiary payments to the administrator of a program of self-insurance.

(11) Services, supplies, materials, or equipment to be received from an agency or from a body corporate and politic.

(12) Expenses for the operation of offices that represent the state under contracts with the Indiana economic development corporation and that are located outside Indiana.

(13) Services, supplies, materials, or equipment to be used for more than one (1) year under a discounted contractual arrangement funded through a designated leasing entity.

(14) Maintenance of equipment and maintenance of software not exceeding an annual amount of one thousand five hundred dollars ($1,500) for each piece of equipment or each software license.

(15) Exhibits, artifacts, specimens, or other unique items of cultural or historical value or interest purchased by the state museum.

(c) Any state agency and any state college or university supported in whole or in part by state funds may make advance payments to its employees for duly accountable expenses exceeding ten dollars ($10) incurred through travel approved by the employee's respective agency director in the case of a state agency and by a duly authorized person in the case of any such state college or university.

(d) The auditor of state may, with the approval of the budget agency and of the commissioner of the Indiana department of administration:

(1) appoint a special disbursing officer for any state agency or group of agencies where it is necessary or expedient that a special record be kept of a particular class of disbursements or where disbursements are made from a special fund; and

(2) approve advances to the special disbursing officer or officers from any available appropriation for the purpose.

(e) The auditor of state shall issue the auditor's warrant to the special disbursing officer to be disbursed by the disbursing officer as provided in this section. Special disbursing officers shall in no event make disbursements or payments for supplies or current operating expenses of any agency or for contractual services or equipment not purchased or contracted for in accordance with this chapter and IC 5-22. No special disbursing officer shall be appointed and no money shall be advanced until procedures covering the operations of special disbursing officers have been adopted by the Indiana department of

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administration and approved by the budget agency. These procedures must include the following provisions:

(1) Provisions establishing the authorized levels of special disbursing officer accounts and establishing the maximum amount which may be expended on a single purchase from special disbursing officer funds without prior approval.

(2) Provisions requiring that each time a special disbursing officer makes an accounting to the auditor of state of the expenditure of the advanced funds, the auditor of state shall request that the Indiana department of administration review the accounting for compliance with IC 5-22.

(3) A provision that, unless otherwise approved by the commissioner of the Indiana department of administration, the special disbursing officer must be the same individual as the procurements agent under IC 4-13-1.3-5.

(4) A provision that each disbursing officer be trained by the Indiana department of administration in the proper handling of money advanced to the officer under this section.

(f) The commissioner of the Indiana department of administration shall cite in a letter to the special disbursing officer the exact purpose or purposes for which the money advanced may be expended.

(g) A special disbursing officer may issue a check to a person without requiring a certification under IC 5-11-10-1 if the officer:

(1) is authorized to make the disbursement; and

(2) complies with procedures adopted by the state board of accounts to govern the issuance of checks under this subsection.

(h) A special disbursing officer is not personally liable for a check issued under subsection (g) if:

(1) the officer complies with the procedures described in subsection (g); and

(2) funds are appropriated and available to pay the warrant.

(i) For contracts entered into between the department of workforce development or the Indiana commission on vocational and technical education and:

(1) a school corporation (as defined in ~~IC 20-10.1-1-1),~~ **IC 20-18-2-16);** or

(2) a state educational institution (as defined in IC 20-12-0.5-1); the contracting parties are not required to post security to cover the amount advanced.

SECTION 63. IC 4-15-11-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. As used in this chapter, "officer or employee of the state" means the following:

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(1) An elected official or employee of a state administration, agency, authority, board, bureau, commission, committee, council, department, division, institution, office, service, or other similar body of state government created or established by law.

(2) A teacher (as defined in ~~IC 20-6.1-1-8).~~ **IC 20-18-2-22).**

The term does not include an employee of a state educational institution (as defined in IC 20-12-0.5-1).

SECTION 64. IC 4-23-7.1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. As used in this chapter:

(1) "Advisory council" refers to the Indiana state library advisory council established by section 39 of this chapter.

(2) "Agency" means any state administration, agency, authority, board, bureau, commission, committee, council, department, division, institution, office, service, or other similar body of state government.

(3) "Board" means the Indiana library and historical board established by IC 4-23-7-2.

(4) "Department" means the Indiana library and historical department established by IC 4-23-7-1.

(5) "Director" means director of the Indiana state library.

(6) "Historical bureau" means the Indiana historical bureau established by IC 4-23-7-3.

(7) "Public library" has the meaning set forth in ~~IC 20-14-1-2.~~ **IC 36-12-1-5.**

(8) "State library" means the Indiana state library established by IC 4-23-7-3.

(9) "Statewide library card program" refers to the program established by section 5.1 of this chapter.

SECTION 65. IC 4-23-7.1-5.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5.1. (a) The state library shall develop and implement a statewide library card program to enable individuals who hold a valid statewide library card to present the statewide library card to borrow:

(1) library books; or

(2) other items available for public borrowing from public libraries as established by rules adopted by the board under subsection (c);

from any public library in Indiana. The statewide library card program is in addition to any reciprocal borrowing agreement entered into between public libraries under ~~IC 20-14-3-6~~ **IC 36-12-3-7** or IC 36-1-7.

(b) The statewide library card program developed under this section

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must provide for at least the following:

(1) To be an eligible cardholder of a statewide library card or to renew a statewide library card, the individual must:

(A) be a resident of Indiana;

(B) ask to receive or renew the statewide library card; and

(C) hold a valid resident or nonresident local library card issued to the individual by a public library under ~~IC 20-14-2-8.~~ **IC 36-12-2-25.**

(2) The individual's public library shall pay a fee to be established by rules adopted by the board under subsection (c) based on not less than forty percent (40%) of the current average operating fund expenditure per borrower by all eligible public libraries as reported annually by the state library in the state library's annual "Statistics of Indiana Libraries". The individual's public library may assess the individual a fee to cover all or part of the costs attributable to the fee required from the public library and the amount charged to all individuals by a public library under this subdivision may not exceed the amount the public library is required to pay under this subdivision.

(3) Each statewide library card expires one (1) year after issuance to an eligible cardholder.

(4) Statewide library cards are renewable for additional one (1) year periods to eligible cardholders who comply with subdivision (1).

(5) Statewide library cards shall be available to eligible cardholders at all public libraries.

(6) Each eligible cardholder using a statewide library card is responsible for the return of any borrowed item directly to the public library from which the cardholder borrowed the item.

(7) All public libraries shall participate in the statewide library card program and shall permit an individual who holds a valid statewide library card to borrow items available for borrowing as established by rules adopted by the board under subsection (c).

(8) A nonresident of a public library taxing district who requests a statewide library card shall pay a fee for that card that includes, but is not limited to, the sum of the following:

(A) The statewide library card fee that a public library is required to pay under subdivision (2).

(B) The library taxing district's operating fund expenditure per capita in the most recent year for which that information is available in the state library's annual "Statistics of Indiana Libraries".

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This subdivision does not limit a library district's fee making ability or a library district's ability to enter township contractual arrangements.

(c) The board shall adopt rules under IC 4-22-2 to implement this section, including rules governing the following:

(1) The amount and manner in which the public libraries shall remit the fee under subsection (b)(2) to the state library for the state library's use in conducting the statewide library card program.

(2) The manner of distribution and payment to each eligible public library district of the funds generated by the statewide library card program based upon the loans made by each eligible public library. To be eligible for a payment, the public library district must also comply with the standards and rules established under section 11 of this chapter.

(3) The manner in which fines, penalties, or other damage assessments may be charged to eligible cardholders for items:

(A) borrowed but not returned;

(B) returned to the inappropriate public library;

(C) returned after the items were otherwise due; or

(D) damaged.

(4) The dissemination of the statewide library cards to the public libraries.

(5) Record keeping procedures for the statewide library card program.

(6) Any other pertinent matter.

SECTION 66. IC 4-23-7.1-5.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5.2. (a) As used in this section, "fund" refers to the statewide library card fund established by subsection (b).

(b) The statewide library card fund is established as a dedicated fund to be administered by the state library. Money in the fund shall be disbursed by the director of the state library exclusively for:

(1) the costs of administering the statewide library card program; or

(2) distribution to eligible public libraries for services related to loans of books or other library items under the statewide library card program.

(c) A public library is eligible for a distribution of money from the fund if the board determines that the public library:

(1) meets the standards for public libraries established by rules of the board or the board has granted the public library a waiver

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from these standards; and

(2) charges a fee in the amount required under ~~IC 20-14-2-8~~ **IC 36-12-2-25** for issuing a local library card to a nonresident of the public library district.

(d) The board shall adopt rules under IC 4-22-2 to establish a formula for the distribution of money in the fund to eligible public libraries. The formula must base the amount of money paid to an eligible public library upon the number of net loans made by the eligible public library under the statewide library card program.

(e) The fees collected under section 5.1 of this chapter shall be deposited in the fund. Interest earned on money in the fund shall be deposited in the fund.

(f) Money in the fund is appropriated continuously for the purposes specified in this section and section 5.1 of this chapter.

(g) Money in the fund at the end of a state fiscal year does not revert to the state general fund. If the fund is abolished, any money in the fund reverts to the state general fund.

SECTION 67. IC 4-23-7.1-29 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 29. (a) The Indiana state library shall distribute to each eligible public library district the amount the district is entitled to under this section not later than August 1 of each year. The board shall determine each district's distribution, which may be based on:

(1) the population served by each eligible public library district;

(2) the level of services offered; and

(3) the loans made by the public library district to others outside the public library's taxing district.

(b) To be eligible for payment under this section, a public library district shall:

(1) comply with the standards and rules established under section 11 of this chapter;

(2) comply with ~~IC 20-14,~~ **IC 36-12;** and

(3) submit an application on a form prescribed by the Indiana state library, including a summary of loan data for the previous year, to the Indiana state library no later than May 1 of each year.

(c) Any expenses incurred by the Indiana state library in the administration and distribution of funds under this section may not be charged against funds appropriated for the purposes of this section.

(d) The governing body of a public library district which receives funds under this section may appropriate the funds for library materials or expenses associated with the sharing of resources.

SECTION 68. IC 4-23-26-3 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) The committee consists of the following members:

(1) The director of the children's special health care services program.

(2) The director of the first steps program.

(3) The chair of the governor's interagency coordinating council for early intervention.

(4) The chair of the children's special health care services advisory council under 410 IAC 3.2-11.

(5) The director of the division of special education created under ~~IC 20-1-6-2.1.~~ **IC 20-35-2-1.**

(6) The director of the division of mental health and addiction.

(7) One (1) representative of the Indiana chapter of the American Academy of Pediatrics.

(8) One (1) representative of a family advocacy group.

(9) Three (3) parents of children with special health needs.

(10) Three (3) parents of children who are enrolled in the:

(A) children's health insurance program under IC 12-17.6; or

(B) Medicaid managed care program for children.

(b) The members under subdivisions (1) and (2) are nonvoting members.

SECTION 69. IC 4-34-3-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. Money in the fund shall be allocated annually to the technology grant plan program established under ~~IC 20-10.1-25.3~~ **IC 20-20-13** for ~~the following purpose: For~~ technology plan grants to school corporations under ~~IC 20-10.1-25.3.~~ **IC 20-20-13.**

SECTION 70. IC 4-34-3-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. The allocation of money under sections 4 through 5 of this chapter is subject to:

(1) the availability of money for allocation; and

(2) a recommendation by the ~~Indiana~~ department of education ~~(IC 20-1-1.1-2)~~ **(established by IC 20-19-3-1)** to the ~~state~~ budget agency that a program is able to utilize the money.

SECTION 71. IC 5-1.4-1-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. "Qualified entity" means the following:

(1) A city.

(2) A county.

(3) A special taxing district located wholly within a county.

(4) Any entity whose tax levies are subject to review and modification by a city-county legislative body under IC 36-3-6-9.

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(5) A political subdivision (as defined in IC 36-1-2-13) that is located wholly within a county:

(A) that has a population of:

(i) more than four hundred thousand (400,000) but less than seven hundred thousand (700,000); or

(ii) more than two hundred thousand (200,000) but less than three hundred thousand (300,000); or

(B) containing a city that:

(i) is described in section 5(3) of this chapter; and

(ii) has a public improvement bond bank under this article.

(6) A charter school established under ~~IC 20-5.5~~ **IC 20-24** that is sponsored by the executive of a consolidated city.

(7) Any authority created under IC 36 that leases land or facilities to any qualified entity listed in subdivisions (1) through (6).

SECTION 72. IC 5-2-6-3.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3.5. (a) The sex and violent offender directory established under section 3 of this chapter must include the names of each offender who is or has been required to register under IC 5-2-12.

(b) The institute shall do the following:

(1) Update the directory at least one (1) time every six (6) months.

(2) Publish the directory on the Internet through the computer gateway administered by the intelenet commission under IC 5-21-2 and known as Access Indiana.

(3) Make the directory available on a computer disk and, at least one (1) time every six (6) months, send a copy of the computer disk to the following:

(A) All school corporations (as defined in ~~IC 20-1-6-1).~~ **IC 20-18-2-16).**

(B) All nonpublic schools (as defined in ~~IC 20-10.1-1-3).~~ **IC 20-18-2-12).**

(C) All state agencies that license individuals who work with children.

(D) The state personnel department to screen individuals who may be hired to work with children.

(E) All child care facilities licensed by or registered in the state.

(F) Other entities that:

(i) provide services to children; and

(ii) request the directory.

(4) Maintain a hyperlink on the institute's computer web site that permits users to connect to the Indiana sheriffs' sex offender

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registry web site established under IC 36-2-13-5.5.

(5) Make a paper copy of the directory available upon request.

(c) A copy of the directory:

(1) provided to a child care facility under subsection (b)(3)(E);

(2) provided to another entity that provides services to children under subsection (b)(3)(F); or

(3) that is published on the Internet under subsection (b)(2);

must include the home address of an offender whose name appears in the directory.

(d) When the institute publishes on the Internet or distributes a copy of the directory under subsection (b), the institute shall include a notice using the following or similar language:

"Based on information submitted to the criminal justice institute, a person whose name appears in this directory has been convicted of a sex offense or a violent offense or has been adjudicated a delinquent child for an act that would be a sex offense or violent offense if committed by an adult.".

SECTION 73. IC 5-3-1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) Within sixty (60) days after the expiration of each calendar year, the fiscal officer of each civil city and town in Indiana shall publish an annual report of the receipts and expenditures of the city or town during the preceding calendar year.

(b) Not earlier than August 1 or later than August 15 of each year, the secretary of each school corporation in Indiana shall publish an annual financial report.

(c) In the annual financial report the school corporation shall include the following:

(1) Actual receipts and expenditures by major accounts as compared to the budget advertised under IC 6-1.1-17-3 for the prior calendar year.

(2) The salary schedule for all certificated employees (as defined in ~~IC 20-7.5-1-2)~~ **IC 20-29-2-4)** as of June 30, with the number of employees at each salary increment. However, the listing of salaries of individual teachers is not required.

(3) The extracurricular salary schedule as of June 30.

(4) The range of rates of pay for all noncertificated employees by specific classification.

(5) The number of employees who are full-time certificated, part-time certificated, full-time noncertificated, and part-time noncertificated.

(6) The lowest, highest, and average salary for the administrative staff and the number of administrators without a listing of the

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names of particular administrators.

(7) The number of students enrolled at each grade level and the total enrollment.

(8) The assessed valuation of the school corporation for the prior and current calendar year.

(9) The tax rate for each fund for the prior and current calendar year.

(10) In the general fund, capital projects fund, and transportation fund, a report of the total payment made to each vendor for the specific fund in excess of two thousand five hundred dollars ($2,500) during the prior calendar year. However, a school corporation is not required to include more than two hundred (200) vendors whose total payment to each vendor was in excess of two thousand five hundred dollars ($2,500). A school corporation shall list the vendors in descending order from the vendor with the highest total payment to the vendor with the lowest total payment above the minimum listed in this subdivision.

(11) A statement providing that the contracts, vouchers, and bills for all payments made by the school corporation are in its possession and open to public inspection.

(12) The total indebtedness as of the end of the prior calendar year showing the total amount of notes, bonds, certificates, claims due, total amount due from such corporation for public improvement assessments or intersections of streets, and any and all other evidences of indebtedness outstanding and unpaid at the close of the prior calendar year.

(d) The school corporation may provide an interpretation or explanation of the information included in the financial report.

(e) The department of education shall do the following:

(1) Develop guidelines for the preparation and form of the financial report.

(2) Provide information to assist school corporations in the preparation of the financial report.

(f) The annual reports required by this section and IC 36-2-2-19 and the abstract required by IC 36-6-4-13 shall each be published one (1) time only, in accordance with this chapter.

(g) Each school corporation shall submit to the department of education a copy of the financial report required under this section. The department of education shall make the financial reports available for public inspection.

SECTION 74. IC 5-9-4-7 IS AMENDED TO READ AS FOLLOWS

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[EFFECTIVE JULY 1, 2005]: Sec. 7. (a) Except as provided in subsection (b) or (c), an officeholder who elects to take the leave of absence described in section 6 of this chapter shall give written notice that the officeholder is taking a leave of absence for military service to the person or entity designated in IC 5-8-3.5-1 to receive a resignation for the office the officeholder holds.

(b) An officeholder who is:

(1) a justice of the supreme court, a judge of the court of appeals, or a judge of the tax court; or

(2) a judge of a circuit, city, county, probate, or superior court;

shall give the written notice required by subsection (a) to the clerk of the supreme court.

(c) An officeholder who holds a school board office shall give the written notice required by subsection (a) to the person or entity designated in ~~IC 20-3, IC 20-4,~~ **IC 20-25-3, IC 20-25-4, IC 20-25-5, IC 20-23-12, IC 20-23-14, IC 20-23-15, IC 20-23-4,** or ~~IC 20-5~~ **IC 20-26** to receive a resignation for the office the officeholder holds.

(d) The written notice required by subsection (a) must state that the officeholder is taking a leave of absence because the officeholder:

(1) has been called for active duty in: ~~the:~~

(A) **the** armed forces of the United States; or

(B) the national guard; and

(2) will be temporarily unable to perform the duties of the officeholder's office.

SECTION 75. IC 5-9-4-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. (a) Except as provided in subsection (b), during the officeholder's leave of absence the officeholder's office must be filled by a temporary appointment made under:

(1) IC 3-13-4;
(2) IC 3-13-5;
(3) IC 3-13-6;
(4) IC 3-13-7;
(5) IC 3-13-8;
(6) IC 3-13-9;
(7) IC 3-13-10;
(8) IC 3-13-11;
~~(9) IC 20-3;~~
~~(10) IC 20-4; or~~
~~(11) IC 20-5;~~
(9) IC 20-23-4;
(10) IC 20-26;

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(11) IC 20-23-12;
(12) IC 20-23-14;
(13) IC 20-23-15;
(14) IC 20-25-3;
(15) IC 20-25-4; or
(16) IC 20-25-5;

in the same manner as a vacancy created by a resignation is filled.

(b) For an officeholder who:

(1) is:

(A) a justice of the supreme court, a judge of the court of appeals, or a judge of the tax court; or

(B) a judge of a circuit, city, county, probate, or superior court; and

(2) is taking a leave of absence under this chapter;

the supreme court shall appoint a judge pro tempore to fill the officeholder's office in accordance with the court's rules and procedures.

(c) The person selected or appointed under subsection (a) or (b) serves until the earlier of:

(1) the date the officeholder's leave of absence ends as provided in section 10 of this chapter; or

(2) the officeholder's term of office expires.

(d) The person selected or appointed to an office under subsection (a) or (b):

(1) assumes all the rights and duties of; and

(2) is entitled to the compensation established for;

the office for the period of the temporary appointment.

SECTION 76. IC 5-10-8-2.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2.6. (a) This section applies only to local unit public employers and their employees. This section does not apply to public safety employees, surviving spouses, and dependents covered by section 2.2 of this chapter.

(b) A public employer may provide programs of group insurance for its employees and retired employees. The public employer may, however, exclude part-time employees and persons who provide services to the unit under contract from any group insurance coverage that the public employer provides to the employer's full-time employees. A public employer may provide programs of group health insurance under this section through one (1) of the following methods:

(1) By purchasing policies of group insurance.

(2) By establishing self-insurance programs.

(3) By electing to participate in the local unit group of local units

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that offer the state employee health plan under section 6.6 of this chapter.

A public employer may provide programs of group insurance other than group health insurance under this section by purchasing policies of group insurance and by establishing self-insurance programs. However, the establishment of a self-insurance program is subject to the approval of the unit's fiscal body.

(c) A public employer may pay a part of the cost of group insurance, but shall pay a part of the cost of group life insurance for local employees. A public employer may pay, as supplemental wages, an amount equal to the deductible portion of group health insurance as long as payment of the supplemental wages will not result in the payment of the total cost of the insurance by the public employer.

(d) An insurance contract for local employees under this section may not be canceled by the public employer during the policy term of the contract.

(e) After June 30, 1986, a public employer shall provide a group health insurance program under subsection (g) to each retired employee:

(1) whose retirement date is:

(A) after May 31, 1986, for a retired employee who was a teacher (as defined in ~~IC 20-6.1-1-8)~~ **IC 20-18-2-22)** for a school corporation; or

(B) after June 30, 1986, for a retired employee not covered by clause (A);

(2) who will have reached fifty-five (55) years of age on or before the employee's retirement date but who will not be eligible on that date for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.;

(3) who will have completed twenty (20) years of creditable employment with a public employer on or before the employee's retirement date, ten (10) years of which must have been completed immediately preceding the retirement date; and

(4) who will have completed at least fifteen (15) years of participation in the retirement plan of which the employee is a member on or before the employee's retirement date.

(f) A group health insurance program required by subsection (e) must be equal in coverage to that offered active employees and must permit the retired employee to participate if the retired employee pays an amount equal to the total of the employer's and the employee's premiums for the group health insurance for an active employee and if the employee, within ninety (90) days after the employee's retirement

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date files a written request with the employer for insurance coverage. However, the employer may elect to pay any part of the retired employee's premiums.

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

(1) When the spouse becomes eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.

(2) When the employer terminates the health insurance program.

(3) Two (2) years after the date of the employee's death.

(4) The date of the spouse's remarriage.

(h) This subsection does not apply to an employee who is entitled to group insurance coverage under ~~IC 20-6.1-6-1(c).~~ **IC 20-28-10-2(b).** An employee who is on leave without pay is entitled to participate for ninety (90) days in any group health insurance program maintained by the public employer for active employees if the employee pays an amount equal to the total of the employer's and the employee's premiums for the insurance. However, the employer may pay all or part of the employer's premium for the insurance.

(i) A public employer may provide group health insurance for retired employees or their spouses not covered by subsections (e) through (g) and may provide group health insurance that contains provisions more favorable to retired employees and their spouses than required by subsections (e) through (g). A public employer may provide group health insurance to an employee who is on leave without pay for a longer period than required by subsection (h), and may continue to pay all or a part of the employer's premium for the insurance while the employee is on leave without pay.

SECTION 77. IC 5-10-8-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. (a) This section applies only to the state and employees who are not covered by a plan established under section 6 of this chapter.

(b) After June 30, 1986, the state shall provide a group health

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insurance plan to each retired employee:

(1) whose retirement date is:

(A) after June 29, 1986, for a retired employee who was a member of the field examiners' retirement fund;

(B) after May 31, 1986, for a retired employee who was a member of the Indiana state teachers' retirement fund; or

(C) after June 30, 1986, for a retired employee not covered by clause (A) or (B);

(2) who will have reached fifty-five (55) years of age on or before the employee's retirement date but who will not be eligible on that date for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.;

(3) who will have completed twenty (20) years of creditable employment with a public employer on or before the employee's retirement date, ten (10) years of which shall have been completed immediately preceding the retirement; and

(4) who will have completed at least fifteen (15) years of participation in the retirement plan of which the employee is a member on or before the employee's retirement date.

(c) The state shall provide a group health insurance program to each retired employee:

(1) who is a retired judge;

(2) whose retirement date is after June 30, 1990;

(3) who is at least sixty-two (62) years of age;

(4) who is not eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.; and

(5) who has at least eight (8) years of service credit as a participant in the Indiana judges' retirement fund, with at least eight (8) years of that service credit completed immediately preceding the judge's retirement.

(d) The state shall provide a group health insurance program to each retired employee:

(1) who is a retired participant under the prosecuting attorneys retirement fund;

(2) whose retirement date is after January 1, 1990;

(3) who is at least sixty-two (62) years of age;

(4) who is not eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.; and

(5) who has at least ten (10) years of service credit as a participant in the prosecuting attorneys retirement fund, with at least ten (10) years of that service credit completed immediately preceding the participant's retirement.

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

(1) is no longer a member of the general assembly;

(2) is not eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq. or, in the case of a surviving spouse, the surviving spouse is not eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.; and

(3) has at least ten (10) years of service credit as a member in the general assembly.

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

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

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

(1) When the spouse becomes eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.

(2) When the employer terminates the health insurance program.

(3) Two (2) years after the date of the employee's death.

(4) The date of the spouse's remarriage.

(h) This subsection does not apply to an employee who is entitled to group insurance coverage under ~~IC 20-6.1-6-1(c).~~ **IC 20-28-10-2(b).**

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An employee who is on leave without pay is entitled to participate for ninety (90) days in any health insurance program maintained by the employer for active employees if the employee pays an amount equal to the total of the employer's and the employee's premiums for the insurance.

(i) An employer may provide group health insurance for retired employees or their spouses not covered by this section and may provide group health insurance that contains provisions more favorable to retired employees and their spouses than required by this section. A public employer may provide group health insurance to an employee who is on leave without pay for a longer period than required by subsection (h).

(j) An employer may elect to permit former employees and their spouses, including surviving spouses, to continue to participate in a group health insurance program under this chapter after the former employee (who is otherwise qualified under this chapter to participate in a group insurance program) or spouse has become eligible for Medicare coverage as prescribed by 42 ~~U.S.C.A.~~ **U.S.C.** 1395 et seq. An employer who makes an election under this section may require a person who continues coverage under this subsection to participate in a retiree health benefit plan developed under section 8.3 of this chapter.

SECTION 78. IC 5-11-10-1.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1.6. (a) As used in this section, "governmental entity" refers to any of the following:

(1) A municipality (as defined in IC 36-1-2-11).

(2) A school corporation (as defined in IC 36-1-2-17), including a school extracurricular account.

(3) A county.

(4) A regional water or sewer district organized under IC 13-26 or under IC 13-3-2 (before its repeal).

(5) A municipally owned utility that is subject to IC 8-1.5-3 or IC 8-1.5-4.

(6) A board of an airport authority under IC 8-22-3.

(7) A board of aviation commissioners under IC 8-22-2.

(8) A conservancy district.

(9) A public transportation corporation under IC 36-9-4.

(10) A commuter transportation district under IC 8-5-15.

(11) The state.

(12) A solid waste management district established under IC 13-21 or IC 13-9.5 (before its repeal).

(13) A levee authority established under IC 14-27-6.

(14) A county building authority under IC 36-9-13.

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(15) A soil and water conservation district established under IC 14-32.

(b) As used in this section, "claim" means a bill or an invoice submitted to a governmental entity for goods or services.

(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

(1) there is a fully itemized invoice or bill for the claim;

(2) the invoice or bill is approved by the officer or person receiving the goods and services;

(3) the invoice or bill is filed with the governmental entity's fiscal officer;

(4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and

(5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim.

This subsection does not prohibit a school corporation, with prior approval of the board having jurisdiction over allowance of payment of the claim, from making payment in advance of receipt of services as allowed by guidelines developed under ~~IC 20-10.1-25-3.~~ **IC 20-20-13-10.**

(d) The fiscal officer of a governmental entity shall issue checks or warrants for claims by the governmental entity that meet all of the requirements of this section. The fiscal officer does not incur personal liability for disbursements:

(1) processed in accordance with this section; and

(2) for which funds are appropriated and available.

(e) The certification provided for in subsection (c)(4) must be on a form prescribed by the state board of accounts.

SECTION 79. IC 5-13-7-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) In a county having a consolidated city, the county board of finance is composed of:

(1) the county treasurer;

(2) the county auditor;

(3) the county assessor;

(4) the mayor of the consolidated city;

(5) the controller of the consolidated city; and

(6) the president of the board of school commissioners of the school city described by ~~IC 20-3-11-1.~~ **IC 20-25-3-1.**

(b) The board has supervision of the revocation of public depositories for all public funds of the following:

(1) The county.

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(2) The consolidated city.

(3) The school city.

(4) Any other political subdivision in the county whose local board of finance designates the county board of finance for those purposes.

SECTION 80. IC 5-14-1.5-6.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6.5. (a) Whenever a governing body, or any person authorized to act for a governing body, meets with an employee organization, or any person authorized to act for an employee organization, for the purpose of collective bargaining or discussion, the following apply:

(1) Any party may inform the public of the status of collective bargaining or discussion as it progresses by release of factual information and expression of opinion based upon factual information.

(2) If a mediator is appointed, any report the mediator may file at the conclusion of mediation is a public record open to public inspection.

(3) If a factfinder is appointed, any hearings the factfinder holds must be open at all times for the purpose of permitting members of the public to observe and record them. Any findings and recommendations the factfinder makes are public records open to public inspection as provided by ~~IC 20-7.5-1-13(c)~~ **IC 20-29-8-13** or any other applicable statute relating to factfinding in connection with public collective bargaining.

(b) This section supplements and does not limit any other provision of this chapter.

SECTION 81. IC 5-21-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. "Authorized user" means:

(1) any board, commission, department, agency, or authority, by whatever name designated, exercising a portion of the executive, administrative, legislative, or judicial power of the state;

(2) any county, city, town, township, school corporation, political subdivision, or other entity, by whatever name designated, exercising in a limited geographical area the executive, administrative, legislative, or judicial power of the state or a local governmental power;

(3) any entity that is subject to:

(A) budget review by the department of local government finance or the governing body of a county, city, town, township, or school corporation; or

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(B) audit by the state board of accounts;

(4) any building corporation of a political subdivision of the state that issues bonds for the purpose of constructing public facilities;

(5) any advisory commission, committee, or body created by statute, ordinance, or executive order and requiring the use of the intelenet system;

(6) the Indiana higher education telecommunications system (IC 20-12-12) and all of the colleges and universities included in that system;

(7) any Indiana broadcasting station licensed by the Federal Communications Commission as a noncommercial radio or television station for the purposes of educational programming;

(8) any community network; or

(9) any nonpublic school (as defined in ~~IC 20-10.1-1-3).~~ **IC 20-18-2-12).**

SECTION 82. IC 5-22-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. Except as provided in this article, this article does not apply to the following:

(1) The commission for higher education.

(2) A state educational institution. However, IC 5-22-15 applies to a state educational institution.

(3) Military officers and military and armory boards of the state.

(4) An entity established by the general assembly as a body corporate and politic. However, IC 5-22-15 applies to a body corporate and politic.

(5) A local hospital authority under IC 5-1-4.

(6) A municipally owned utility under IC 8-1-11.1 or IC 8-1.5.

(7) Hospitals organized or operated under IC 16-22-1 through IC 16-22-5, IC 16-23-1, or IC 16-24-1.

(8) A library board under ~~IC 20-14-3-14(b).~~ **IC 36-12-3-16(b).**

(9) A local housing authority under IC 36-7-18.

(10) Tax exempt Indiana nonprofit corporations leasing and operating a city market owned by a political subdivision.

(11) A person paying for a purchase or lease with funds other than public funds.

(12) A person that has entered into an agreement with a governmental body under IC 5-23.

(13) A municipality for the operation of municipal facilities used for the collection, treatment, purification, and disposal in a sanitary manner of liquid and solid waste, sewage, night soil, and industrial waste.

SECTION 83. IC 5-22-4-8 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. (a) As used in this section, "board" refers to either of the following:

(1) With respect to the Indiana School for the Blind, the board established by ~~IC 20-15-3-1.~~ **IC 20-21-3-1.**

(2) With respect to the Indiana School for the Deaf, the board established by ~~IC 20-16-3-1.~~ **IC 20-22-3-1.**

(b) As used in this section, "school" refers to either of the following:

(1) The Indiana School for the Blind established by ~~IC 20-15-2-1.~~ **IC 20-21-2-1.**

(2) The Indiana School for the Deaf established by ~~IC 20-16-2-1.~~ **IC 20-22-2-1.**

(c) As used in this section, "superintendent" refers to the superintendent of the school.

(d) Except as provided in subsection (f), the school is the purchasing agency for the school.

(e) Except as provided in subsection (f), the superintendent is the purchasing agent for the school for purchases with a value of not more than twenty-five thousand dollars ($25,000).

(f) ~~Not later than October 1, 1999,~~ The Indiana department of administration and the board shall develop and implement a written policy for purchases by the school with a value of more than twenty-five thousand dollars ($25,000).

SECTION 84. IC 5-22-21-7.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7.5. (a) This section applies to surplus computer hardware that:

(1) is not usable by a state agency as determined under section 6 of this chapter; and

(2) has market value.

(b) As used in this section, "educational entity" refers to the following:

(1) A school corporation (as defined in IC 36-1-2-17) or nonpublic schools (as defined in ~~IC 20-10.1-1-3.~~ **IC 20-18-2-12).**

(2) The corporation for educational technology described in ~~IC 20-10.1-25.1.~~ **IC 20-20-15.**

(c) As used in this section, "market value" means the value of the property is more than the estimated costs of sale and transportation of the property.

(d) Surplus computer hardware available for sale must be offered first to an educational entity. Notice of the sale must be given to the corporation for educational technology and to each school corporation through publication in a publication of the department of education or other appropriate association or department.

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(e) Sealed bids shall be delivered by educational entities to the office of the commissioner before the date of the sale to educational entities. Surplus personal property shall be sold to the highest responsible bidder as determined by the commissioner. The department shall deliver possession of the surplus property to the successful bidder after the bidder submits an executed purchase order to the department.

(f) If the surplus computer hardware:

(1) is not sold to an educational entity under this section; and

(2) had an original purchase price of more than two thousand five hundred dollars ($2,500);

the property shall be offered for sale to political subdivisions as described in section 7 of this chapter.

SECTION 85. IC 5-22-21-7.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7.6. (a) This section applies to surplus computer hardware that is:

(1) not usable by a state agency as determined under section 6 of this chapter; and

(2) not sold to an educational entity or political subdivision after being offered for sale.

(b) The department may donate the surplus computer hardware to an educational entity or a school corporation (as defined by IC 36-1-2-17) or nonpublic schools (as defined in ~~IC 20-10.1-1-3).~~ **IC 20-18-2-12).**

SECTION 86. IC 5-22-22-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) This chapter applies only to personal property owned by a governmental body.

(b) This chapter does not apply to dispositions of property described in any of the following:

(1) IC 5-22-21-1(b).

(2) IC 36-1-11-5.5.

(c) This chapter does not apply to any of the following:

(1) The disposal of property under an urban homesteading program under IC 36-7-17.

(2) The lease of school buildings under IC 21-5.

(3) The sale of land to a lessor in a lease-purchase contract under IC 36-1-10.

(4) The disposal of property by a redevelopment commission established under IC 36-7.

(5) The leasing of property by a board of aviation commissioners established under IC 8-22-2 or an airport authority established under IC 8-22-3.

(6) The disposal of a municipally owned utility under IC 8-1.5.

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(7) The sale or lease of property by a unit (as defined in IC 36-1-2-23) to an Indiana nonprofit corporation organized for educational, literary, scientific, religious, or charitable purposes that is exempt from federal income taxation under Section 501 of the Internal Revenue Code or the sale or reletting of that property by the nonprofit corporation.
(8) The disposal of property by a hospital organized or operating under IC 16-22-1 through IC 16-22-5, IC 16-23-1, or IC 16-24-1.
(9) The sale or lease of property acquired under IC 36-7-13 for industrial development.
(10) The sale, lease, or disposal of property by a local hospital authority under IC 5-1-4.
(11) The sale or other disposition of property by a county or municipality to finance housing under IC 5-20-2.
(12) The disposition of property by a soil and water conservation district under IC 14-32.
(13) The sale of surplus or unneeded property by the board of trustees of the health and hospital corporation under IC 16-22-8.
(14) The disposal of personal property by a library board under ~~IC 20-14-3-4(c).~~ **IC 36-12-3-5(c).**
(15) The sale or disposal of property by the historic preservation commission under IC 36-7-11.1.
(16) The disposal of an interest in property by a housing authority under IC 36-7-18.
(17) The disposal of property under IC 36-9-37-26.
(18) The disposal of property used for park purposes under IC 36-10-7-8.
(19) The disposal of textbooks that will no longer be used by school corporations under ~~IC 20-10.1-10.~~ **IC 20-26-12.**
(20) The disposal of residential structures or improvements by a municipal corporation without consideration to:
(A) a governmental body; or
(B) a nonprofit corporation that is organized to expand the supply or sustain the existing supply of good quality, affordable housing for residents of Indiana having low or moderate incomes.
(21) The disposal of historic property without consideration to a nonprofit corporation whose charter or articles of incorporation allows the corporation to take action for the preservation of historic property. As used in this subdivision, "historic property" means property that is:
(A) listed on the National Register of Historic Places; or

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(B) eligible for listing on the National Register of Historic Places, as determined by the division of historic preservation and archeology of the department of natural resources.

(22) The disposal of real property without consideration to:

(A) a governmental body; or

(B) a nonprofit corporation that exists for the primary purpose of enhancing the environment;

when the property is to be used for compliance with a permit or an order issued by a federal or state regulatory agency to mitigate an adverse environmental impact.

(23) The disposal of property to a person under an agreement between the person and a governmental body under IC 5-23.

SECTION 87. IC 6-1.1-18-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 12. (a) For purposes of this section, "maximum rate" refers to the maximum:

(1) property tax rate or rates; or

(2) special benefits tax rate or rates;

referred to in the statutes listed in subsection (d).

(b) The maximum rate for taxes first due and payable after 2003 is the maximum rate that would have been determined under subsection (e) for taxes first due and payable in 2003 if subsection (e) had applied for taxes first due and payable in 2003.

(c) The maximum rate must be adjusted:

(1) each time an annual adjustment of the assessed value of real property takes effect under IC 6-1.1-4-4.5; and

(2) each time a general reassessment of real property takes effect under IC 6-1.1-4-4.

(d) The statutes to which subsection (a) refers are:

(1) IC 8-10-5-17;

(2) IC 8-22-3-11;

(3) IC 8-22-3-25;

(4) IC 12-29-1-1;

(5) IC 12-29-1-2;

(6) IC 12-29-1-3;

(7) IC 12-29-3-6;

(8) IC 13-21-3-12;

(9) IC 13-21-3-15;

(10) IC 14-27-6-30;

(11) IC 14-33-7-3;

(12) IC 14-33-21-5;

(13) IC 15-1-6-2;

(14) IC 15-1-8-1;

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(15) IC 15-1-8-2;
(16) IC 16-20-2-18;
(17) IC 16-20-4-27;
(18) IC 16-20-7-2;
(19) IC 16-23-1-29;
(20) IC 16-23-3-6;
(21) IC 16-23-4-2;
(22) IC 16-23-5-6;
(23) IC 16-23-7-2;
(24) IC 16-23-8-2;
(25) IC 16-23-9-2;
(26) IC 16-41-15-5;
(27) IC 16-41-33-4;
~~(28) IC 20-5-17.5-2;~~
(28) IC 20-26-8-4;
~~(29) IC 20-5-17.5-3;~~
~~(30) IC 20-5-37-4;~~
~~(31) IC 20-14-7-5.1;~~
~~(32) IC 20-14-7-6;~~
~~(33) IC 20-14-13-12;~~
~~(34)~~ **(29)** IC 21-1-11-3;
~~(35)~~ **(30)** IC 21-2-17-2;
~~(36)~~ **(31)** IC 23-13-17-1;
~~(37)~~ **(32)** IC 23-14-66-2;
~~(38)~~ **(33)** IC 23-14-67-3;
~~(39)~~ **(34)** IC 36-7-13-4;
~~(40)~~ **(35)** IC 36-7-14-28;
~~(41)~~ **(36)** IC 36-7-15.1-16;
~~(42)~~ **(37)** IC 36-8-19-8.5;
(43) **(38)** IC 36-9-6.1-2;
(44) **(39)** IC 36-9-17.5-4;
(45) **(40)** IC 36-9-27-73;
(46) **(41)** IC 36-9-29-31;
(47) **(42)** IC 36-9-29.1-15;
(48) **(43)** IC 36-10-6-2;
(49) **(44)** IC 36-10-7-7;
(50) **(45)** IC 36-10-7-8;
(51) **(46)** IC 36-10-7.5-19; ~~and~~
(47) IC 36-10-13-5;
(48) IC 36-10-13-7;
(49) IC 36-12-7-7;
(50) IC 36-12-7-8;

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(51) IC 36-12-12-10; and

(52) any statute enacted after December 31, 2003, that:

(A) establishes a maximum rate for any part of the:

(i) property taxes; or

(ii) special benefits taxes;

imposed by a political subdivision; and

(B) does not exempt the maximum rate from the adjustment under this section.

(e) The new maximum rate under a statute listed in subsection (d) is the tax rate determined under STEP SEVEN of the following STEPS:

STEP ONE: Determine the maximum rate for the political subdivision levying a property tax or special benefits tax under the statute for the year preceding the year in which the annual adjustment or general reassessment takes effect.

STEP TWO: Determine the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the year preceding the year the annual adjustment or general reassessment takes effect to the year that the annual adjustment or general reassessment takes effect.

STEP THREE: Determine the three (3) calendar years that immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first take effect.

STEP FOUR: Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the preceding year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Determine the greater of the following:

(A) Zero (0).

(B) The result of the STEP TWO percentage minus the STEP FIVE percentage.

STEP SEVEN: Determine the quotient of the STEP ONE tax rate divided by the sum of one (1) plus the STEP SIX percentage increase.

(f) The department of local government finance shall compute the maximum rate allowed under subsection (e) and provide the rate to each political subdivision with authority to levy a tax under a statute listed in subsection (d).

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SECTION 88. IC 6-1.1-18.5-10.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10.3. (a) The ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed by a library board for a capital projects fund under ~~IC 20-14-13.~~ **IC 36-12-3.** However, the maximum amount that is exempt from the levy limits under this section may not exceed the property taxes that would be raised in the ensuing calendar year with a property tax rate of one and thirty-three hundredths cents ($0.0133) per one hundred dollars ($100) of assessed valuation.

(b) For purposes of computing the ad valorem property tax levy limit imposed on a library board under section 3 of this chapter, the library board's ad valorem property tax levy for a particular calendar year does not include that part of the levy imposed under ~~IC 20-14-13~~ **IC 36-12-3** that is exempt from the ad valorem property tax levy limits under subsection (a).

SECTION 89. IC 6-1.1-19-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. (a) A school corporation that did not impose a general fund tax levy for the preceding calendar year may not collect a general fund tax levy for the ensuing calendar year until that general fund tax levy (and the related budget, appropriations, and general fund tax rate), after being adopted and advertised and considered by the proper county board of tax adjustment as provided by law, is reviewed by the tax control board, which shall make its recommendations in respect thereof to the department of local government finance, and is approved by the department.

(b) For all purposes relevant to this chapter:

(1) the adjusted base levy for a school corporation that must have its levy approved under subsection (a) is the total dollar amount of the ad valorem tax levy for its general fund that, after being approved, is made by the school corporation for taxes collectible in the first full calendar year after the approval; and

(2) the ADA ratio for a school corporation that must have its levy approved under subsection (a) is the quotient resulting from a division of the school corporation's current ADA by the ADA first determined after the approval for the school corporation in accordance with the rules and regulations established by the state board of education.

(c) For purposes of this chapter:

(1) where territory is transferred from one (1) school corporation to another after April 4, 1973, under IC 20-4-4 **(before its**

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repeal), ~~or~~ IC 20-3-14 **(before its repeal), IC 20-23-5, or IC 20-25-5,** ADA, current ADA, and ADA ratio shall be interpreted, insofar as possible, as though the pupils in the territory had been transferred in the school year ending in 1973; and

(2) where territory is transferred ~~for~~ **from** one (1) school corporation to another after June 1, 1978, under IC 20-4-4 **(before its repeal),** ~~or~~ IC 20-3-14 **(before its repeal), IC 20-23-5, or IC 20-25-5,** adjusted base levy, normal tax levy, and the other terms used in this chapter shall be interpreted, insofar as possible, as though the assessed valuation of the territory had been transferred prior to March 1, 1977, in accordance with rules and a final determination by the department of local government finance.

SECTION 90. IC 6-1.1-19-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. (a) A school corporation must file a petition requesting approval from the department of local government finance to incur bond indebtedness, enter into a lease rental agreement, or repay from the debt service fund loans made for the purchase of school buses under ~~IC 20-9.1-6-5~~ **IC 20-27-4-5** not later than twenty-four (24) months after the first date of publication of notice of a preliminary determination under IC 6-1.1-20-3.1(2), unless the school corporation demonstrates that a longer period is reasonable in light of the school corporation's facts and circumstances. A school corporation must obtain approval from the department of local government finance before the school corporation may:

(1) incur the indebtedness;

(2) enter into the lease agreement; or

(3) repay the school bus purchase loan.

This restriction does not apply to ad valorem property taxes which a school corporation levies to pay or fund bond or lease rental indebtedness created or incurred before July 1, 1974.

(b) The department of local government finance may either approve, disapprove, or modify then approve a school corporation's proposed lease rental agreement, bond issue or school bus purchase loan. Before it approves or disapproves a proposed lease rental agreement, bond issue or school bus purchase loan, the department of local government finance may seek the recommendation of the tax control board.

(c) The department of local government finance shall render a decision not more than three (3) months after the date it receives a request for approval under subsection (a). However, the department of

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local government finance may extend this three (3) month period by an additional three (3) months if, at least ten (10) days before the end of the original three (3) month period, the department sends notice of the extension to the executive officer of the school corporation. A school corporation may petition for judicial review of the final determination of the department of local government finance under this section. The petition must be filed in the tax court not more than forty-five (45) days after the department enters its order under this section.

(d) After December 31, 1995, the department of local government finance may not approve a school corporation's proposed lease rental agreement or bond issue to finance the construction of additional classrooms unless the school corporation first:

(1) establishes that additional classroom space is necessary; and

(2) conducts a feasibility study, holds public hearings, and hears public testimony on using a twelve (12) month school term (instead of the nine (9) month school term (as defined in ~~IC 20-10.1-2-2))~~ **IC 20-30-2-7))** rather than expanding classroom space.

(e) This section does not apply to school bus purchase loans made by a school corporation which will be repaid solely from the general fund of the school corporation.

(f) A taxpayer may petition for judicial review of the final determination of the department of local government finance under this section. The petition must be filed in the tax court not more than thirty (30) days after the department enters its order under this section.

SECTION 91. IC 6-1.1-19-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 12. (a) Not later than the date on which the department of local government finance certifies a final action under IC 6-1.1-17-16, the department of local government finance shall provide to each county auditor the amount determined under ~~IC 20-5.5-7-3(c)(6)~~ **IC 20-24-7-2(c)(6)** for each charter school attended by a student who has legal settlement in both the county and a school corporation located in the county.

(b) This subsection applies beginning with the first distribution of property taxes to a school corporation after December 31, 2003. At the same time a county auditor distributes property taxes to a school corporation, the county auditor shall distribute to a charter school the amount described in subsection (a) for the charter school.

(c) A distribution of property taxes to a school corporation does not include an amount distributed under subsection (b).

SECTION 92. IC 6-1.1-21-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. As used in this

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chapter:

(a) "Taxpayer" means a person who is liable for taxes on property assessed under this article.

(b) "Taxes" means property taxes payable in respect to property assessed under this article. The term does not include special assessments, penalties, or interest, but does include any special charges which a county treasurer combines with all other taxes in the preparation and delivery of the tax statements required under IC 6-1.1-22-8(a).

(c) "Department" means the department of state revenue.

(d) "Auditor's abstract" means the annual report prepared by each county auditor which under IC 6-1.1-22-5, is to be filed on or before March 1 of each year with the auditor of state.

(e) "Mobile home assessments" means the assessments of mobile homes made under IC 6-1.1-7.

(f) "Postabstract adjustments" means adjustments in taxes made subsequent to the filing of an auditor's abstract which change assessments therein or add assessments of omitted property affecting taxes for such assessment year.

(g) "Total county tax levy" means the sum of:

(1) the remainder of:

(A) the aggregate levy of all taxes for all taxing units in a county which are to be paid in the county for a stated assessment year as reflected by the auditor's abstract for the assessment year, adjusted, however, for any postabstract adjustments which change the amount of the aggregate levy; minus

(B) the sum of any increases in property tax levies of taxing units of the county that result from appeals described in:

(i) IC 6-1.1-18.5-13(4) and IC 6-1.1-18.5-13(5) filed after December 31, 1982; plus

(ii) the sum of any increases in property tax levies of taxing units of the county that result from any other appeals described in IC 6-1.1-18.5-13 filed after December 31, 1983; plus

(iii) IC 6-1.1-18.6-3 (children in need of services and delinquent children who are wards of the county); minus

(C) the total amount of property taxes imposed for the stated assessment year by the taxing units of the county under the authority of IC 12-1-11.5 (repealed), IC 12-2-4.5 (repealed), IC 12-19-5, or IC 12-20-24; minus

(D) the total amount of property taxes to be paid during the

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stated assessment year that will be used to pay for interest or principal due on debt that:

(i) is entered into after December 31, 1983;

(ii) is not debt that is issued under IC 5-1-5 to refund debt incurred before January 1, 1984; and

(iii) does not constitute debt entered into for the purpose of building, repairing, or altering school buildings for which the requirements of IC 20-5-52 **(repealed)** were satisfied prior to January 1, 1984; minus

(E) the amount of property taxes imposed in the county for the stated assessment year under the authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(F) the remainder of:

(i) the total property taxes imposed in the county for the stated assessment year under authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(ii) the total property taxes imposed in the county for the 1984 stated assessment year under the authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(G) the amount of property taxes imposed in the county for the stated assessment year under:

(i) IC 21-2-15 for a capital projects fund; plus

(ii) IC 6-1.1-19-10 for a racial balance fund; plus

(iii) ~~IC 20-14-13~~ **IC 36-12-12** for a library capital projects fund; plus

(iv) ~~IC 20-5-17.5-3~~ **IC 36-10-13-7** for an art association fund; plus

(v) IC 21-2-17 for a special education preschool fund; plus

(vi) IC 21-2-11.6 for a referendum tax levy fund; plus

(vii) an appeal filed under IC 6-1.1-19-5.1 for an increase in a school corporation's maximum permissible general fund levy for certain transfer tuition costs; plus

(viii) an appeal filed under IC 6-1.1-19-5.4 for an increase

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in a school corporation's maximum permissible general fund levy for transportation operating costs; minus

(H) the amount of property taxes imposed by a school corporation that is attributable to the passage, after 1983, of a referendum for an excessive tax levy under IC 6-1.1-19, including any increases in these property taxes that are attributable to the adjustment set forth in IC 6-1.1-19-1.5 or any other law; minus

(I) for each township in the county, the lesser of:

(i) the sum of the amount determined in IC 6-1.1-18.5-19(a) STEP THREE or IC 6-1.1-18.5-19(b) STEP THREE, whichever is applicable, plus the part, if any, of the township's ad valorem property tax levy for calendar year 1989 that represents increases in that levy that resulted from an appeal described in IC 6-1.1-18.5-13(4) filed after December 31, 1982; or

(ii) the amount of property taxes imposed in the township for the stated assessment year under the authority of IC 36-8-13-4; minus

(J) for each participating unit in a fire protection territory established under IC 36-8-19-1, the amount of property taxes levied by each participating unit under IC 36-8-19-8 and IC 36-8-19-8.5 less the maximum levy limit for each of the participating units that would have otherwise been available for fire protection services under IC 6-1.1-18.5-3 and IC 6-1.1-18.5-19 for that same year; minus

(K) for each county, the sum of:

(i) the amount of property taxes imposed in the county for the repayment of loans under IC 12-19-5-6 (repealed) that is included in the amount determined under IC 12-19-7-4(a) STEP SEVEN for property taxes payable in 1995, or for property taxes payable in each year after 1995, the amount determined under IC 12-19-7-4(b); and

(ii) the amount of property taxes imposed in the county attributable to appeals granted under IC 6-1.1-18.6-3 that is included in the amount determined under IC 12-19-7-4(a) STEP SEVEN for property taxes payable in 1995, or the amount determined under IC 12-19-7-4(b) for property taxes payable in each year after 1995; plus

(2) all taxes to be paid in the county in respect to mobile home assessments currently assessed for the year in which the taxes stated in the abstract are to be paid; plus

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(3) the amounts, if any, of county adjusted gross income taxes that were applied by the taxing units in the county as property tax replacement credits to reduce the individual levies of the taxing units for the assessment year, as provided in IC 6-3.5-1.1; plus

(4) the amounts, if any, by which the maximum permissible ad valorem property tax levies of the taxing units of the county were reduced under IC 6-1.1-18.5-3(b) STEP EIGHT for the stated assessment year; plus

(5) the difference between:

(A) the amount determined in IC 6-1.1-18.5-3(e) STEP FOUR; minus

(B) the amount the civil taxing units' levies were increased because of the reduction in the civil taxing units' base year certified shares under IC 6-1.1-18.5-3(e).

(h) "December settlement sheet" means the certificate of settlement filed by the county auditor with the auditor of state, as required under IC 6-1.1-27-3.

(i) "Tax duplicate" means the roll of property taxes which each county auditor is required to prepare on or before March 1 of each year under IC 6-1.1-22-3.

(j) "Eligible property tax replacement amount" is equal to the sum of the following:

(1) Sixty percent (60%) of the total county tax levy imposed by each school corporation in a county for its general fund for a stated assessment year.

(2) Twenty percent (20%) of the total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) imposed in a county on real property for a stated assessment year.

(3) Twenty percent (20%) of the total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) imposed in a county on tangible personal property, excluding business personal property, for an assessment year.

(k) "Business personal property" means tangible personal property (other than real property) that is being:

(1) held for sale in the ordinary course of a trade or business; or

(2) held, used, or consumed in connection with the production of income.

(l) "Taxpayer's property tax replacement credit amount" means the sum of the following:

(1) Sixty percent (60%) of a taxpayer's tax liability in a calendar

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year for taxes imposed by a school corporation for its general fund for a stated assessment year.

(2) Twenty percent (20%) of a taxpayer's tax liability for a stated assessment year for a total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) on real property.

(3) Twenty percent (20%) of a taxpayer's tax liability for a stated assessment year for a total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) on tangible personal property other than business personal property.

(m) "Tax liability" means tax liability as described in section 5 of this chapter.

(n) "General school operating levy" means the ad valorem property tax levy of a school corporation in a county for the school corporation's general fund.

SECTION 93. IC 6-1.1-21.8-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) The board shall determine the terms of a loan made under this chapter. However, the interest charged on the loan may not exceed the percent of increase in the United States Department of Labor Consumer Price Index for Urban Wage Earners and Clerical Workers during the most recent twelve (12) month period for which data is available as of the date that the unit applies for a loan under this chapter. In the case of a qualified taxing unit that is not a school corporation or a public library (as defined in ~~IC 20-14-1-2),~~ **IC 36-12-1-5),** a loan must be repaid not later than ten (10) years after the date on which the loan was made. In the case of a qualified taxing unit that is a school corporation or a public library (as defined in ~~IC 20-14-1-2),~~ **IC 36-12-1-5),** a loan must be repaid not later than eleven (11) years after the date on which the loan was made. A school corporation or a public library (as defined in ~~IC 20-14-1-2)~~ **IC 36-12-1-5)** is not required to begin making payments to repay a loan until after June 30, 2004. The total amount of all the loans made under this chapter may not exceed twenty-eight million dollars ($28,000,000). The board may disburse the proceeds of a loan in installments. However, not more than one-third (1/3) of the total amount to be loaned under this chapter may be disbursed at any particular time without the review of the budget committee and the approval of the budget agency.

(b) A loan made under this chapter shall be repaid only from:

(1) property tax revenues of the qualified taxing unit that are subject to the levy limitations imposed by IC 6-1.1-18.5 or

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IC 6-1.1-19; or

(2) any other source of revenues (other than property taxes) that is legally available to the qualified taxing unit.

The payment of any installment of principal constitutes a first charge against the property tax revenues described in subdivision (1) that are collected by the qualified taxing unit during the calendar year the installment is due and payable.

(c) The obligation to repay a loan made under this chapter is not a basis for the qualified taxing unit to obtain an excessive tax levy under IC 6-1.1-18.5 or IC 6-1.1-19.

(d) Whenever the board receives a payment on a loan made under this chapter, the board shall deposit the amount paid in the counter-cyclical revenue and economic stabilization fund.

(e) This section does not prohibit a qualified taxing unit from repaying a loan made under this chapter before the date specified in subsection (a) if a taxpayer described in section 3 of this chapter resumes paying property taxes to the qualified taxing unit.

(f) Interest accrues on a loan made under this chapter until the date the board receives notice from the county auditor that the county has adopted at least one (1) of the following:

(1) The county adjusted gross income tax under IC 6-3.5-1.1.

(2) The county option income tax under IC 6-3.5-6.

(3) The county economic development income tax under IC 6-3.5-7.

Notwithstanding subsection (a), interest may not be charged on a loan made under this chapter if a tax described in this subsection is adopted before a qualified taxing unit applies for the loan.

SECTION 94. IC 6-3.1-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. As used in this chapter, the following terms have the following meanings:

(1) "Eligible teacher" means a teacher:

(A) certified in a shortage area by the professional standards board established by ~~IC 20-1-1.4,~~ **IC 20-28-2-1;** and

(B) employed under contract during the regular school term by a school corporation in a shortage area.

(2) "Qualified position" means a position that:

(A) is relevant to the teacher's academic training in a shortage area; and

(B) has been approved by the Indiana state board of education under section 6 of this chapter.

(3) "Regular school term" means the period, other than the school summer recess, during which a teacher is required to perform

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duties assigned to ~~him~~ **the teacher** under a teaching contract.

(4) "School corporation" means any corporation authorized by law to establish public schools and levy taxes for their maintenance.

(5) "Shortage area" means the subject areas of mathematics and science and any other subject area designated as a shortage area by the Indiana state board of education.

(6) "State income tax liability" means a taxpayer's total income tax liability incurred under IC 6-3 and IC 6-5.5, as computed after application of credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

SECTION 95. IC 6-3.1-15-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. As used in this chapter, "buddy system project" has the meaning set forth in ~~IC 20-10.1-25.1-4(1)(A).~~ **IC 20-20-15-4(1)(A).**

SECTION 96. IC 6-3.1-15-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. As used in this chapter, "service center" means an educational service center established under ~~IC 20-1-11.3.~~ **IC 20-20-1.**

SECTION 97. IC 6-3.1-15-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. The state board shall, in consultation with the corporation for educational technology if the corporation is established under ~~IC 20-10.1-25.1-3,~~ **IC 20-20-15-3,** establish minimum standards for qualified computer equipment. Upon receipt of computer equipment, a service center shall promptly inspect the equipment. If the computer equipment meets the minimum standards established by the state board, the service center shall accept the computer equipment as qualified computer equipment and shall, subject to section 11(b) of this chapter, promptly send a certification to the computer equipment owner for the tax credit available under this chapter.

SECTION 98. IC 6-3.1-15-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 15. Before July 1 of each year, the state department of education shall notify each school that complies with the minimum instructional days required by ~~IC 20-10.1-2-1~~ **IC 20-30-2-3** for the preceding school year that the program created by this chapter exists, including how the school may participate in the program.

SECTION 99. IC 9-18-2-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. (a) A person who owns a vehicle subject to registration shall register each vehicle owned by the person as follows:

(1) A vehicle subject to section 8 of this chapter shall be

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registered under section 8.

(2) A vehicle not subject to section 8 of this chapter or to the International Registration Plan shall be registered before:

(A) March 1 of each year; or

(B) an earlier date subsequent to January 1 of each year as set by the bureau.

(3) School buses owned by a school corporation are exempt from annual registration but are subject to registration under ~~IC 20-9.1-4.~~ **IC 20-27-7.**

(4) Subject to subsection (f), a vehicle subject to the International Registration Plan shall be registered before April 1 of each year.

(b) Registrations and re-registrations under this section are for the calendar year. Registration and re-registration for school buses owned by a school corporation may be for more than a calendar year.

(c) License plates for a vehicle subject to this section may be displayed during:

(1) the calendar year for which the vehicle is registered; and

(2) the period of time:

(A) subsequent to the calendar year; and

(B) before the date that the vehicle must be re-registered.

(d) A person who owns or operates a vehicle may not operate or permit the operation of a vehicle that:

(1) is required to be registered under this chapter; and

(2) has expired license plates.

(e) If a vehicle that is required to be registered under this chapter has:

(1) been operated on the highways; and

(2) not been properly registered under this chapter;

the bureau shall, before the vehicle is re-registered, collect the registration fee that the owner of the vehicle would have paid if the vehicle had been properly registered.

(f) The department of state revenue may adopt rules under IC 4-22-2 to issue staggered registration to motor vehicles subject to the International Registration Plan.

SECTION 100. IC 9-18-31-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. The fees collected under this chapter shall be distributed as follows:

(1) Twenty-five percent (25%) to the state superintendent of public instruction to administer the school intervention and career counseling development program and fund under ~~IC 20-10.1-28.~~ **IC 20-20-17.**

(2) Seventy-five percent (75%) as provided under section 7 of this

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chapter.

SECTION 101. IC 9-19-13-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. The state school bus committee established ~~under IC 20-9.1-4~~ **by IC 20-27-3-1** shall adopt and enforce rules under IC 4-22-2 not inconsistent with this chapter to govern the design and operation of all school buses used for the transportation of school children when owned and operated by a school corporation or privately owned and operated under contract with an Indiana school corporation. The rules must by reference be made a part of such a contract with a school corporation. Each school corporation, officer and employee of the school corporation, and person employed under contract by a school district is subject to those rules.

SECTION 102. IC 9-19-13-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. A bus used to transport school children must be equipped as follows:

(1) At least two (2) signal lamps mounted as high and as widely spaced laterally as practicable, capable of displaying the front two (2) alternately flashing red lights located at the same level, and having sufficient intensity to be visible at five hundred (500) feet in normal sunlight.

(2) As required by the state school bus committee under ~~IC 20-9.1-4-4.~~ **IC 20-27-3-4.**

(3) As required by ~~IC 20-9.1-5.~~ **IC 20-27-9.**

SECTION 103. IC 9-21-8-52 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 52. (a) A person who operates a vehicle and who recklessly:

(1) drives at such an unreasonably high rate of speed or at such an unreasonably low rate of speed under the circumstances as to:

(A) endanger the safety or the property of others; or

(B) block the proper flow of traffic;

(2) passes another vehicle from the rear while on a slope or on a curve where vision is obstructed for a distance of less than five hundred (500) feet ahead;

(3) drives in and out of a line of traffic, except as otherwise permitted;

(4) speeds up or refuses to give one-half (1/2) of the roadway to a driver overtaking and desiring to pass; or

(5) passes a school bus stopped on a roadway when the arm signal device specified in ~~IC 20-9.1-5-14~~ **IC 9-21-12-13** is in the device's extended position;

commits a Class B misdemeanor.

(b) If an offense under subsection (a) results in damage to the

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property of another person, the court shall recommend the suspension of the current driving license of the person for a fixed period of:

(1) not less than thirty (30) days; and

(2) not more than one (1) year.

SECTION 104. IC 9-21-12-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) A person who drives a vehicle that:

(1) meets or overtakes from any direction a school bus stopped on a roadway and is not stopped before reaching the school bus when the arm signal device specified in ~~IC 20-9.1-5-14~~ **IC 9-21-12-13** is in the device's extended position; or

(2) proceeds before the arm signal device is no longer extended;

commits the offense described in section 9 of this chapter.

(b) This section is applicable only if the school bus is in substantial compliance with the markings required by the state school bus committee.

(c) There is a rebuttable presumption that the owner of the vehicle involved in the violation of this section committed the violation. This presumption does not apply to the owner of a vehicle involved in the violation of this section if the owner routinely engages in the business of renting the vehicle for periods of thirty (30) days or less.

SECTION 105. IC 9-21-12-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) The state school bus committee established ~~under IC 20-9.1-4~~ **by IC 20-27-3-1** shall adopt and enforce rules that are consistent with this chapter to govern the design and operation of all school buses used for the transportation of school children that are:

(1) owned and operated by a school corporation; or

(2) privately owned and operated under contract with a school corporation;

in Indiana. Rules adopted under this section shall by reference be made a part of a contract between a private school bus company and a school corporation.

(b) Each school corporation, the school corporation's officers and employees, and every person employed under contract by a school district is subject to the rules adopted under this section.

SECTION 106. IC 9-24-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) A driver's license or a learner's permit may not be issued to an individual less than eighteen (18) years of age who meets any of the following conditions:

(1) Is a habitual truant under ~~IC 20-8.1-3-17.2.~~ **IC 20-33-2-11.**

(2) Is under at least a second suspension from school for the

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school year under ~~IC 20-8.1-5.1-8~~ **IC 20-33-8-14** or ~~IC 20-8.1-5.1-9.~~ **IC 20-33-8-15.**

(3) Is under an expulsion from school under ~~IC 20-8.1-5.1-8, IC 20-8.1-5.1-9,~~ **IC 20-33-8-14, IC 20-33-8-15,** or ~~IC 20-8.1-5.1-10.~~ **IC 20-33-8-16.**

(4) Has withdrawn from school, for a reason other than financial hardship and the withdrawal was reported under ~~IC 20-8.1-3-24(a)~~ **IC 20-33-2-21(a)** before graduating.

(b) At least five (5) days before holding an exit interview under ~~IC 20-8.1-3-17(b)(2),~~ **IC 20-33-2-6(a)(3),** the school corporation shall give notice by certified mail or personal delivery to the student, the student's parent, or the student's guardian of the following:

(1) That the exit interview will include a hearing to determine if the reason for the student's withdrawal is financial hardship.

(2) If the principal determines that the reason for the student's withdrawal is not financial hardship:

(A) the student and the student's parent or guardian will receive a copy of the determination; and

(B) the student's name will be submitted to the bureau for the bureau's use in denying or invalidating a driver's license or learner's permit under this section.

SECTION 107. IC 9-24-2-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) If a person is less than eighteen (18) years of age and is a habitual truant, is under a suspension or an expulsion or has withdrawn from school as described in section 1 of this chapter, the bureau shall, upon notification by the person's principal, invalidate the person's license or permit until the earliest of the following:

(1) The person becomes eighteen (18) years of age.

(2) One hundred twenty (120) days after the person is suspended, or the end of a semester during which the person returns to school, whichever is longer.

(3) The suspension, expulsion, or exclusion is reversed after the person has had a hearing under ~~IC 20-8.1-5.1.~~ **IC 20-33-8.**

(b) The bureau shall promptly mail a notice to the person's last known address that states the following:

(1) That the person's driving privileges will be invalidated for a specified period commencing five (5) days after the date of the notice.

(2) That the person has the right to appeal the invalidation of a license or permit.

(c) If an aggrieved person believes that:

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(1) the information provided was technically incorrect; or

(2) the bureau committed a technical or procedural error;

the aggrieved person may appeal the invalidation of a license under IC 9-25.

(d) If a person satisfies the conditions for reinstatement of a license under this section, the person may submit to the bureau the necessary information certifying that at least one (1) of the events described in subsection (a) has occurred.

(e) Upon certifying the information received under subsection (d), the bureau shall revalidate the person's license or permit.

(f) A person may not operate a motor vehicle in violation of this section.

(g) A person whose license or permit is invalidated under this section may apply for a restricted driving permit under IC 9-24-15.

(h) The bureau shall revalidate the license or permit of a person whose license or permit was invalidated under this section who does the following:

(1) Establishes to the satisfication of the principal of the school where the action occurred that caused the invalidation of the person's license or permit that the person has:

(A) enrolled in a full-time or part-time program of education; and

(B) participated for thirty (30) or more days in the program of education.

(2) Submits to the bureau a form developed by the bureau that contains:

(A) the verified signature of the principal or the president of the governing body of the school described in subdivision (1); and

(B) notification to the bureau that the person has complied with subdivision (1).

A person may appeal the decision of a principal under subdivision (1) to the governing body of the school corporation where the principal's school is located.

SECTION 108. IC 9-24-2-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) A person whose driving privileges have been invalidated under section 4 of this chapter is entitled to a prompt judicial hearing. The person may file a petition that requests a hearing in a circuit, superior, county, or municipal court in the county where:

(1) the person resides; or

(2) the school attended by the person is located.

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(b) The petition for review must:

(1) be in writing; and

(2) be verified by the person seeking review and:

(A) allege specific facts that indicate the suspension or expulsion was improper; or

(B) allege that due to the person's emancipation or dependents that an undue hardship exists that requires the granting of a restricted driving permit.

(c) The hearing conducted by the court under this section shall be limited to the following issues:

(1) Whether the school followed proper procedures when suspending or expelling the person from school, including affording the person due process under ~~IC 20-8.1-5.1.~~ **IC 20-33-8.**

(2) Whether the bureau followed proper procedures in invalidating the person's license or permit.

(3) Whether an undue hardship exists that requires the granting of a restricted driving permit.

(d) If the court finds:

(1) that the school failed to follow proper procedures when suspending or expelling the person from school; or

(2) that the bureau failed to follow proper procedures in invalidating the person's license or permit;

the court may order the bureau to reinstate the person's driving privileges.

(e) If the court finds that an undue hardship exists, the court may order a restricted driving permit limiting the petitioner to essential driving for work and driving between home, work, and school only. The restricted driving permit must state the restrictions related to time, territory, and route. If a court orders a restricted driving permit for the petitioner, the court shall do the following:

(1) Include in the order a finding of facts that states the petitioner's driving restrictions.

(2) Enter the findings of fact and order in the order book of the court.

(3) Send the bureau a signed copy of the order.

(f) The prosecuting attorney of the county in which a petition has been filed under this section shall represent the state on behalf of the bureau with respect to the petition. A school that is made a party to an action filed under this section is responsible for the school's own representation.

(g) In an action under this section the petitioner has the burden of proof by a preponderance of the evidence.

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(h) The court's order is a final judgment appealable in the manner of civil actions by either party. The attorney general shall represent the state on behalf of the bureau with respect to the appeal.

SECTION 109. IC 9-24-6-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. (a) The following, if committed while driving a commercial motor vehicle, are serious traffic violations:

(1) Operating a vehicle at least fifteen (15) miles per hour above the posted speed limit in violation of IC 9-21-5, IC 9-21-6, or ~~IC 20-9.1-5-10.~~ **IC 9-21-5-14.**

(2) Operating a vehicle recklessly as provided in IC 9-21-8-50 and IC 9-21-8-52.

(3) Improper or erratic traffic lane changes in violation of IC 9-21-8-2 through IC 9-21-8-13 and IC 9-21-8-17 through IC 9-21-8-18.

(4) Following a vehicle too closely in violation of IC 9-21-8-14 through IC 9-21-8-16.

(5) In connection with a fatal accident, violating any statute, ordinance, or rule concerning motor vehicle traffic control other than parking statutes, ordinances, or rules.

(6) Operating a vehicle while disqualified under this chapter.

(7) For drivers who are not required to always stop at a railroad crossing, failing to do any of the following:

(A) Slow down and determine that the railroad tracks are clear of an approaching train, in violation of IC 9-21-5-4, IC 9-21-8-39, IC 35-42-2-4, or any similar statute.

(B) Stop before reaching the railroad crossing, if the railroad tracks are not clear of an approaching train, in violation of IC 9-21-4-16, IC 9-21-8-39, or any similar statute.

(8) For all drivers, whether or not they are required to always stop at a railroad crossing, to do any of the following:

(A) Stopping in a railroad crossing, in violation of IC 9-21-8-50 or any similar statute.

(B) Failing to obey a traffic control device or failing to obey the directions of a law enforcement officer at a railroad crossing, in violation of IC 9-21-8-1 or any similar statute.

(C) Stopping in a railroad crossing because of insufficient undercarriage clearance, in violation of IC 35-42-2-4, IC 9-21-8-50, or any similar statute.

(b) Subsection (a)(1) and (a)(8) is intended to comply with the provisions of 49 U.S.C. 31311(a)(10) and regulations adopted under that statute.

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SECTION 110. IC 9-27-4-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) To establish or operate a commercial driver training school, the school must obtain a license from the bureau in the manner and form prescribed by the bureau.

(b) Subject to subsection (c), the bureau shall adopt rules under IC 4-22-2 that state the requirements for obtaining a school license, including the following:

(1) Location of the school.
(2) Equipment required.
(3) Courses of instruction.
(4) Instructors.
(5) Previous records of the school and instructors.
(6) Financial statements.
(7) Schedule of fees and charges.
(8) Character and reputation of the operators and instructors.
(9) Insurance in the amount and with the provisions the bureau considers necessary to adequately protect the interests of the public.
(10) Other matters the bureau prescribes for the protection of the public.

(c) The rules adopted under subsection (b) must permit a licensed school to conduct classroom training in a county outside the county where the school is located to the students of:

(1) a school corporation (as defined in IC 36-1-2-17);
(2) a nonpublic secondary school that voluntarily becomes accredited under ~~IC 20-1-1-6;~~ **IC 20-19-2-8;** or
(3) a nonpublic secondary school recognized under ~~IC 20-1-1-6.2;~~ **IC 20-19-2-10;**

if the governing body of the school corporation or the nonpublic secondary school approves the delivery of the training to its students.

SECTION 111. IC 9-27-4-5.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5.5. (a) To receive an instructor's license under subsection (d), an individual must complete at least sixty (60) semester hours at a college. The individual must complete at least twelve (12) semester hours in driver education courses, of which three (3) semester hours must consist of supervised student teaching experience under the direction of an individual who has:

(1) a driver and traffic safety education endorsement issued by the professional standards board established by ~~IC 20-1-1.4;~~ **IC 20-28-2-1;** and

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(2) at least five (5) years of teaching experience in driver education.

(b) The three (3) semester hours of supervised student teaching experience required under subsection (a) may only be undertaken by an individual who will be at least twenty-one (21) years of age upon completion and may only be performed at a high school, a commercial driving school, or the college providing the courses for the individual to become an instructor. The remaining nine (9) hours of driver education courses required under subsection (a) must include a combination of theoretical and behind-the-wheel instruction that is consistent with nationally accepted standards in traffic safety.

(c) The driver education semester hours required under subsection (a) do not satisfy the requirements of subsection (d) or (e) unless the driver education curriculum is approved by the commission for higher education.

(d) The bureau shall issue an instructor's license to an individual who satisfies all of the following:

(1) The individual meets the requirements of subsection (a).

(2) The individual does not have more than the maximum number of points for violating traffic laws specified by the bureau by rules adopted under IC 4-22-2.

(3) The individual has a good moral character, physical condition, knowledge of the rules of the road, and work history. The bureau shall adopt rules under IC 4-22-2 that specify the requirements, including requirements about criminal convictions, necessary to satisfy the conditions of this subdivision.

(e) The bureau shall issue an instructor's license to an individual who:

(1) during 1995, held an instructor's license;

(2) meets the requirements of subsection (d)(2) and (d)(3); and

(3) completes the twelve (12) semester hours of driver education courses required under subsection (a) not later than July 1, 1999.

However, an individual who has acted as an instructor for at least two (2) years before January 1, 1996, is not required to complete the requirements of subdivision (3) in order to receive an instructor's license under this subsection.

(f) The bureau shall issue an instructor's license to an individual who:

(1) holds a driver and traffic safety education endorsement issued by the professional standards board established ~~under IC 20-1-1.4,~~ **by IC 20-28-2-1;** and

(2) meets the requirements of subsection (d)(2) and (d)(3).

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(g) Only an individual who holds an instructor's license issued by the bureau under subsection (d), (e), or (f) may act as an instructor.

SECTION 112. IC 9-29-5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. The fee for the registration of a motorcycle is seventeen dollars ($17). The revenue from this fee shall be allocated as follows:

(1) Seven dollars ($7) to the motorcycle operator safety education fund established ~~under IC 20-10.1-7-14.~~ **by IC 20-30-13-11.**

(2) An amount prescribed as a license branch service charge under IC 9-29-3.

(3) The balance to the state general fund for credit to the motor vehicle highway account.

SECTION 113. IC 10-13-3-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. As used in this chapter, "certificated employee" has the meaning set forth in ~~IC 20-7.5-1-2.~~ **IC 20-29-2-4.**

SECTION 114. IC 10-13-3-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 14. As used in this chapter, "noncertificated employee" has the meaning set forth in ~~IC 20-7.5-1-2.~~ **IC 20-29-2-11.**

SECTION 115. IC 10-13-3-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 20. As used in this chapter, "school corporation" has the meaning set forth in ~~IC 20-10.1-1-1.~~ **IC 20-18-2-16.**

SECTION 116. IC 10-13-3-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 21. As used in this chapter, "special education cooperative" has the meaning set forth in ~~IC 20-1-6-20.~~ **IC 20-35-5-1(a)(7).**

SECTION 117. IC 10-13-3-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 27. (a) Except as provided in subsection (b), on request, law enforcement agencies shall release or allow inspection of a limited criminal history to noncriminal justice organizations or individuals only if the subject of the request:

(1) has applied for employment with a noncriminal justice organization or individual;

(2) has applied for a license and criminal history data as required by law to be provided in connection with the license;

(3) is a candidate for public office or a public official;

(4) is in the process of being apprehended by a law enforcement agency;

(5) is placed under arrest for the alleged commission of a crime;

(6) has charged that the subject's rights have been abused

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repeatedly by criminal justice agencies;

(7) is the subject of a judicial decision or determination with respect to the setting of bond, plea bargaining, sentencing, or probation;

(8) has volunteered services that involve contact with, care of, or supervision over a child who is being placed, matched, or monitored by a social services agency or a nonprofit corporation;

(9) has volunteered services at a public school (as defined in ~~IC 20-10.1-1-2)~~ **IC 20-18-2-15)** or nonpublic school (as defined in ~~IC 20-10.1-1-3)~~ **IC 20-18-2-12)** that involve contact with, care of, or supervision over a student enrolled in the school;

(10) is being investigated for welfare fraud by an investigator of the division of family and children or a county office of family and children;

(11) is being sought by the parent locator service of the child support bureau of the division of family and children;

(12) is or was required to register as a sex and violent offender under IC 5-2-12; or

(13) has been convicted of any of the following:

(A) Rape (IC 35-42-4-1), if the victim is less than eighteen (18) years of age.

(B) Criminal deviate conduct (IC 35-42-4-2), if the victim is less than eighteen (18) years of age.

(C) Child molesting (IC 35-42-4-3).

(D) Child exploitation (IC 35-42-4-4(b)).

(E) Possession of child pornography (IC 35-42-4-4(c)).

(F) Vicarious sexual gratification (IC 35-42-4-5).

(G) Child solicitation (IC 35-42-4-6).

(H) Child seduction (IC 35-42-4-7).

(I) Sexual misconduct with a minor as a felony (IC 35-42-4-9).

(J) Incest (IC 35-46-1-3), if the victim is less than eighteen (18) years of age.

However, limited criminal history information obtained from the National Crime Information Center may not be released under this section except to the extent permitted by the Attorney General of the United States.

(b) A law enforcement agency shall allow inspection of a limited criminal history by and release a limited criminal history to the following noncriminal justice organizations:

(1) Federally chartered or insured banking institutions.

(2) Officials of state and local government for any of the following purposes:

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(A) Employment with a state or local governmental entity.

(B) Licensing.

(3) Segments of the securities industry identified under 15 U.S.C. 78q(f)(2).

(c) Any person who uses limited criminal history for any purpose not specified under this section commits a Class A misdemeanor.

SECTION 118. IC 10-13-3-36 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 36. (a) The department may not charge a fee for responding to a request for the release of a limited criminal history record if the request is made by a nonprofit organization:

(1) that has been in existence for at least ten (10) years; and

(2) that:

(A) has a primary purpose of providing an individual relationship for a child with an adult volunteer if the request is made as part of a background investigation of a prospective adult volunteer for the organization;

(B) is a home health agency licensed under IC 16-27-1;

(C) is a community mental retardation and other developmental disabilities center (as defined in IC 12-7-2-39);

(D) is a supervised group living facility licensed under IC 12-28-5;

(E) is an area agency on aging designated under IC 12-10-1;

(F) is a community action agency (as defined in IC 12-14-23-2);

(G) is the owner or operator of a hospice program licensed under IC 16-25-3; or

(H) is a community mental health center (as defined in IC 12-7-2-38).

(b) Except as provided in subsection (d), the department may not charge a fee for responding to a request for the release of a limited criminal history record made by the division of family and children or a county office of family and children if the request is made as part of a background investigation of an applicant for a license under IC 12-17.2 or IC 12-17.4.

(c) The department may not charge a fee for responding to a request for the release of a limited criminal history if the request is made by a school corporation, special education cooperative, or nonpublic school (as defined in ~~IC 20-10.1-1-3)~~ **IC 20-18-2-12)** as part of a background investigation of an employee or adult volunteer for the school corporation, special education cooperative, or nonpublic school.

(d) As used in this subsection, "state agency" means an authority, a

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board, a branch, a commission, a committee, a department, a division, or another instrumentality of state government, including the executive and judicial branches of state government, the principal secretary of the senate, the principal clerk of the house of representatives, the executive director of the legislative services agency, a state elected official's office, or a body corporate and politic, but does not include a state educational institution (as defined in IC 20-12-0.5-1). The department may not charge a fee for responding to a request for the release of a limited criminal history if the request is made:

(1) by a state agency; and

(2) through the computer gateway that is administered by the intelenet commission under IC 5-21-2 and known as accessIndiana.

(e) The department may not charge a fee for responding to a request for the release of a limited criminal history record made by the health professions bureau established by IC 25-1-5-3 if the request is:

(1) made through the computer gateway that is administered by the intelenet commission under IC 5-21-2 and known as accessIndiana; and

(2) part of a background investigation of a practitioner or an individual who has applied for a license issued by a board (as defined in IC 25-1-9-1).

SECTION 119. IC 10-13-3-38.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 38.5. (a) Under federal P.L.92-544 (86 Stat. 1115), the department may use an individual's fingerprints submitted by the individual for the following purposes:

(1) Determining the individual's suitability for employment with the state, or as an employee of a contractor of the state, in a position:

(A) that has a job description that includes contact with, care of, or supervision over a person less than eighteen (18) years of age;

(B) that has a job description that includes contact with, care of, or supervision over an endangered adult (as defined in IC 12-10-3-2), except the individual is not required to meet the standard for harmed or threatened with harm set forth in IC 12-10-3-2(a)(3);

(C) at a state institution managed by the office of the secretary of family and social services or state department of health;

(D) at the Indiana School for the Deaf established by ~~IC 20-16-2-1,~~ **IC 20-22-2-1;**

(E) at the Indiana School for the Blind established by

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~~IC 20-15-2-1,~~ **IC 20-21-2-1;**

(F) at a juvenile detention facility;

(G) with the gaming commission under IC 4-33-3-16;

(H) with the department of financial institutions under IC 28-11-2-3; or

(I) that has a job description that includes access to or supervision over state financial or personnel data, including state warrants, banking codes, or payroll information pertaining to state employees.

(2) Identification in a request related to an application for a teacher's license submitted to the professional standards board established ~~under IC 20-1-1.4.~~ **by IC 20-28-2-1.**

An applicant shall submit the fingerprints in an appropriate format or on forms provided for the employment or license application. The department shall charge each applicant the fee established under section 28 of this chapter and by federal authorities to defray the costs associated with a search for and classification of the applicant's fingerprints. The department may forward fingerprints submitted by an applicant to the Federal Bureau of Investigation or any other agency for processing. The state personnel department or the agency to which the applicant is applying for employment or a license may receive the results of all fingerprint investigations.

(b) An applicant who is an employee of the state may not be charged under subsection (a).

(c) Subsection (a)(1) does not apply to an employee of a contractor of the state if the contract involves the construction or repair of a capital project or other public works project of the state.

SECTION 120. IC 10-13-3-39 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 39. (a) The department is designated as the authorized agency to receive requests for, process, and disseminate the results of national criminal history background checks that comply with this section and 42 U.S.C. 5119a.

(b) A qualified entity may contact the department to request a national criminal history background check on any of the following persons:

(1) A person who seeks to be or is employed with the qualified entity. A request under this subdivision must be made not later than three (3) months after the person is initially employed by the qualified entity.

(2) A person who seeks to volunteer or is a volunteer with the qualified entity. A request under this subdivision must be made not later than three (3) months after the person initially volunteers

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with the qualified entity.

(c) A qualified entity must submit a request under subsection (b) in the form required by the department and provide a set of the person's fingerprints and any required fees with the request.

(d) If a qualified entity makes a request in conformity with subsection (b), the department shall submit the set of fingerprints provided with the request to the Federal Bureau of Investigation for a national criminal history background check for convictions described in ~~IC 20-5-2-8.~~ **IC 20-26-5-11.** The department shall respond to the request in conformity with:

(1) the requirements of 42 U.S.C. 5119a; and

(2) the regulations prescribed by the Attorney General of the United States under 42 U.S.C. 5119a.

(e) This subsection applies to a qualified entity that:

(1) is not a school corporation or a special education cooperative; or

(2) is a school corporation or a special education cooperative and seeks a national criminal history background check for a volunteer.

After receiving the results of a national criminal history background check from the Federal Bureau of Investigation, the department shall make a determination whether the applicant has been convicted of an offense described in ~~IC 20-5-2-8~~ **IC 20-26-5-11** and convey the determination to the requesting qualified entity.

(f) This subsection applies to a qualified entity that:

(1) is a school corporation or a special education cooperative; and

(2) seeks a national criminal history background check to determine whether to employ or continue the employment of a certificated employee or a noncertificated employee of a school corporation or an equivalent position with a special education cooperative.

After receiving the results of a national criminal history background check from the Federal Bureau of Investigation, the department may exchange identification records concerning convictions for offenses described in ~~IC 20-5-2-8~~ **IC 20-26-5-11** with the school corporation or special education cooperative solely for purposes of making an employment determination. The exchange may be made only for the official use of the officials with authority to make the employment determination. The exchange is subject to the restrictions on dissemination imposed under P.L.92-544, (86 Stat. 1115) (1972).

SECTION 121. IC 11-10-5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. The department

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shall, after consulting with the state superintendent of public instruction and the Indiana commission on vocational and technical education of the department of workforce development, implement academic and vocational education curricula and programs for confined offenders, by utilizing qualified personnel employed by the department or by arranging for instruction to be given by public or private educational agencies in Indiana. The department shall include special education programs, which shall be governed under ~~IC 20-1-6-2.1.~~ **IC 20-35-2.** To provide funding for development and implementation of academic and vocational education curricula and programs, the department may accept gifts and apply for and receive grants from any source.

SECTION 122. IC 11-10-5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. The professional standards board established by ~~IC 20-1-1.4~~ **IC 20-28-2-1** shall, in accord with ~~IC 20-6.1-3,~~ **IC 20-28-4 and IC 20-28-5,** adopt rules under IC 4-22-2 for the licensing of teachers to be employed by the department.

SECTION 123. IC 11-10-5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. Limited certificates valid for one (1) year may be granted, upon the request of the commissioner, according to rules of the professional standards board established by ~~IC 20-1-1.4.~~ **IC 20-28-2-1.** Modification of these rules may be made by the professional standards board in a way reasonably calculated to make available an adequate supply of qualified teachers. A limited certificate may be issued in cases where special training and qualifications warrant the waiver of part of the prerequisite professional training required for certification to teach in the public schools. The limited certificate, however, may be issued only to applicants who have graduated from an accredited college or university. Teachers of vocational education need not be graduates of an accredited college or university but shall meet requirements for conditional vocational certificates as determined by the professional standards board.

SECTION 124. IC 11-10-8-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) Before an offender may be assigned to a minimum security release program:

(1) the offender must be assigned to a minimum security classification in accord with IC 35-38-3 (any change in the degree of security, from minimum to a higher degree, whether the change occurs before or after assignment to a release program, renders the offender ineligible for participation in the release program,

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and the department shall take appropriate action for the offender's immediate removal from the release program and reassignment to a facility or program consistent with the offender's degree of security assignment); and

(2) the department must find that:

(A) the offender is likely to respond affirmatively to the program;

(B) it is reasonably unlikely that the offender will commit another crime while assigned to the program; and

(C) the offender demonstrates reading and writing skills that meet minimum literacy standards:

(i) developed by the department with the assistance of the advisory adult literacy coalition established by the governor under ~~IC 20-11-3;~~ **IC 20-20-21;** and

(ii) established under rules adopted by the department under IC 4-22-2.

(b) The minimum literacy standards adopted by the department under subsection (a)(2)(C) must provide that an offender is exempt from those standards if the department determines that:

(1) the offender is unable to meet the minimum literacy standards as a result of a disability; or

(2) the length of the offender's sentence prevents the offender from achieving the minimum literacy standards before the expiration of the offender's sentence.

SECTION 125. IC 11-13-1-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. (a) As used in this section, "board" refers to the board of directors of the judicial conference of Indiana established by IC 33-38-9-3.

(b) The board shall adopt rules consistent with this chapter, prescribing minimum standards concerning:

(1) educational and occupational qualifications for employment as a probation officer;

(2) compensation of probation officers;

(3) protection of probation records and disclosure of information contained in those records; and

(4) presentence investigation reports.

(c) The conference shall prepare a written examination to be used in establishing lists of persons eligible for appointment as probation officers. The conference shall prescribe the qualifications for entrance to the examination and establish a minimum passing score and rules for the administration of the examination after obtaining recommendations on these matters from the probation standards and practices advisory

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committee. The examination must be offered at least once every other month.

(d) The conference shall, by its rules, establish an effective date for the minimum standards and written examination for probation officers.

(e) The conference shall provide probation departments with training and technical assistance for:

(1) the implementation and management of probation case classification; and

(2) the development and use of workload information.

The staff of the Indiana judicial center may include a probation case management coordinator and probation case management assistant.

(f) The conference shall, in cooperation with the division of family and children and the department of education, provide probation departments with training and technical assistance relating to special education services and programs that may be available for delinquent children or children in need of services. The subjects addressed by the training and technical assistance must include the following:

(1) Eligibility standards.

(2) Testing requirements and procedures.

(3) Procedures and requirements for placement in programs provided by school corporations or special education cooperatives under ~~IC 20-1-6.~~ **IC 20-35-5.**

(4) Procedures and requirements for placement in residential special education institutions or facilities under ~~IC 20-1-6-19~~ **IC 20-35-6-2** and 511 IAC 7-27-12.

(5) Development and implementation of individual education programs for eligible children in:

(A) accordance with applicable requirements of state and federal laws and rules; and

(B) in coordination with:

(i) individual case plans; and

(ii) informal adjustment programs or dispositional decrees entered by courts having juvenile jurisdiction under IC 31-34 and IC 31-37.

(6) Sources of federal, state, and local funding that is or may be available to support special education programs for children for whom proceedings have been initiated under IC 31-34 and IC 31-37.

Training for probation departments may be provided jointly with training provided to child welfare caseworkers relating to the same subject matter.

(g) The conference shall, in cooperation with the division of mental

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health and addiction (IC 12-21) and the division of disability, aging, and rehabilitative services (IC 12-9-1), provide probation departments with training and technical assistance concerning mental illness, addictive disorders, mental retardation, and developmental disabilities.

(h) The conference shall make recommendations to courts and probation departments concerning:

(1) selection, training, distribution, and removal of probation officers;

(2) methods and procedure for the administration of probation, including investigation, supervision, workloads, record keeping, and reporting; and

(3) use of citizen volunteers and public and private agencies.

(i) The conference may delegate any of the functions described in this section to the advisory committee or the Indiana judicial center.

SECTION 126. IC 11-14-2-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. The department shall adopt rules under IC 4-22-2 that ensure the boot camp provides the following for participants:

(1) A paramilitary environment emphasizing discipline, physical development, value modification, treatment intervention, and meaningful assignments.

(2) An opportunity for a participant to:

(A) learn self-discipline, self-respect, and personal accountability;

(B) acquire a positive work ethic and job skills; and

(C) form habits of cleanliness and hygiene.

(3) Treatment and counseling, if necessary, for the following:

(A) Drug and alcohol abuse.

(B) Emotional or mental problems.

(4) Education, including the following:

(A) Remedial programs.

(B) Programs in preparation for a state of Indiana **general** educational development (GED) diploma under ~~IC 20-10.1-12.1.~~ **IC 20-20-6.**

(C) Life skills.

(5) Vocational assessment designed to evaluate a participant's skill level and aptitudes for vocational and technical skill development.

SECTION 127. IC 12-8-10-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. (a) When a state agency selects a grantee agency under section 6 of this chapter, the state agency shall determine whether the purchase of service format

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can be used as the procedure for reimbursing the grantee agency. The state agency has exclusive authority to make this determination, but the state agency shall seek to use the purchase of service format whenever possible.

(b) If a state agency determines that the purchase of service format can be used with a particular grantee agency, the state agency shall notify the group of the state agency's decision. The group shall then follow the procedure described in section 8 of this chapter.

(c) If a state agency determines that the purchase of service format cannot be used with a particular grantee agency, the state agency shall select the contract format that is to be used. If a state agency selects a contract format under this subsection, the state agency shall notify the group of the state agency's decision. The group shall then follow the procedure described in section 8 of this chapter.

(d) Notwithstanding IC 4-13-2-20, ~~IC 20-1-1.8-17.2,~~ **IC 12-17-19-19,** or any other law, a contract format selected under subsection (b) or (c) may include provisions for advance funding as follows:

(1) For not more than one-sixth (1/6) of the contract amount if the annual contract amount is at least fifty thousand dollars ($50,000).

(2) For not more than one-half (1/2) of the contract amount if the annual contract amount is less than fifty thousand dollars ($50,000).

(3) For interim payments, with subsequent reconciliation of the amounts paid under the contract and the cost of the services actually provided.

SECTION 128. IC 12-9-5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. ~~IC 20-1-6-2.1~~ **IC 20-35-2** applies to the operation of each education program for children with disabilities (as defined in ~~IC 20-1-6-1)~~ **IC 20-35-1-2)** conducted by a state owned and operated developmental center or furnished under an agreement with the division.

SECTION 129. IC 12-13-15.2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. Each county office of family and children shall provide to the following entities in the county a list of dentists practicing in the county who provide dental services under the Medicaid program (IC 12-15) or the children's health insurance program (IC 12-17.6):

(1) Head Start programs (42 U.S.C. 9831 et seq.).

(2) Women, infants, and children nutrition programs (as defined in IC 16-35-1.5-5).

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(3) Maternal and child health clinics (as defined in IC 16-46-5-5).

(4) The local health department.

(5) School nurses appointed under ~~IC 20-8.1-7-5.~~ **IC 20-34-3-6.**

(6) Child care centers licensed under IC 12-17.2-4.

(7) The township trustees.

SECTION 130. IC 12-14-2-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 17. (a) To retain eligibility for AFDC assistance under this article, a recipient of AFDC assistance and a dependent child who is a recipient of AFDC assistance must attend school if all of the following apply:

(1) The recipient or the dependent child meets the compulsory attendance requirements under ~~IC 20-8.1-3-17.~~ **IC 20-33-2.**

(2) The recipient or the dependent child has not graduated from a high school or has not obtained a high school equivalency certificate (as defined in IC 12-14-5-2).

(3) The recipient or the dependent child is not excused from attending school under ~~IC 20-8.1-3-18.~~ **IC 20-33-2-14 through IC 20-33-2-17.**

(4) The recipient or the dependent child does not have good cause for failing to attend school, as determined by rules adopted by the director under IC 4-22-2.

(5) If the recipient or the dependent child is the mother of a child, a physician has not determined that the recipient or the dependent child should delay returning to school after giving birth.

(b) A recipient or the dependent child of a recipient described in subsection (a) who has more than three (3) unexcused absences during a school year is subject to revocation or suspension of assistance as provided in section 18 of this chapter.

(c) The director, in consultation with the department of education, shall adopt rules under IC 4-22-2 to establish a definition for the term "unexcused absence".

SECTION 131. IC 12-14-5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. As used in this chapter, "state of Indiana general educational development (GED) diploma" means the state credential issued to a qualified applicant under ~~IC 20-10.1-12.1.~~ **IC 20-20-6.**

SECTION 132. IC 12-17-2-34 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 34. (a) When the Title IV-D agency finds that an obligor is delinquent and can demonstrate that all previous enforcement actions have been unsuccessful, the Title IV-D agency shall send, to a verified address, a notice to the obligor that includes the following:

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(1) Specifies that the obligor is delinquent.

(2) Describes the amount of child support that the obligor is in arrears.

(3) States that unless the obligor:

(A) pays the obligor's child support arrearage in full;

(B) requests the activation of an income withholding order under IC 31-16-15-2 and establishes a payment plan with the Title IV-D agency to pay the arrearage; or

(C) requests a hearing under section 35 of this chapter;

within twenty (20) days after the date the notice is mailed, the Title IV-D agency shall issue an order to the bureau of motor vehicles stating that the obligor is delinquent and that the obligor's driving privileges shall be suspended.

(4) Explains that the obligor has twenty (20) days after the notice is mailed to do one (1) of the following:

(A) Pay the obligor's child support arrearage in full.

(B) Request the activation of an income withholding order under IC 31-16-15-2 and establish a payment plan with the Title IV-D agency to pay the arrearage.

(C) Request a hearing under section 35 of this chapter.

(5) Explains that if the obligor has not satisfied any of the requirements of subdivision (4) within twenty (20) days after the notice is mailed, that the Title IV-D agency shall issue a notice to:

(A) the board that regulates the obligor's profession or occupation, if any, that the obligor is delinquent and that the obligor may be subject to sanctions under IC 25-1-1.2, including suspension or revocation of the obligor's professional or occupational license;

(B) the supreme court disciplinary commission if the obligor is licensed to practice law;

(C) the professional standards board ~~as~~ established by ~~IC 20-1-1.4~~ **IC 20-28-2-1** if the obligor is a licensed teacher;

(D) the Indiana horse racing commission if the obligor holds or applies for a license issued under IC 4-31-6;

(E) the Indiana gaming commission if the obligor holds or applies for a license issued under IC 4-33;

(F) the commissioner of the department of insurance if the obligor holds or is an applicant for a license issued under IC 27-1-15.6, IC 27-1-15.8, or IC 27-10-3; or

(G) the director of the department of natural resources if the obligor holds or is an applicant for a license issued by the department of natural resources under the following:

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(i) IC 14-22-12 (fishing, hunting, and trapping licenses).
(ii) IC 14-22-14 (Lake Michigan commercial fishing license).
(iii) IC 14-22-16 (bait dealer's license).
(iv) IC 14-22-17 (mussel license).
(v) IC 14-22-19 (fur buyer's license).
(vi) IC 14-24-7 (nursery dealer's license).
(vii) IC 14-31-3 (ginseng dealer's license).

(6) Explains that the only basis for contesting the issuance of an order under subdivision (3) or (5) is a mistake of fact.

(7) Explains that an obligor may contest the Title IV-D agency's determination to issue an order under subdivision (3) or (5) by making written application to the Title IV-D agency within twenty (20) days after the date the notice is mailed.

(8) Explains the procedures to:

(A) pay the obligor's child support arrearage in full;
(B) establish a payment plan with the Title IV-D agency to pay the arrearage; and
(C) request the activation of an income withholding order under IC 31-16-15-2.

(b) Whenever the Title IV-D agency finds that an obligor is delinquent and has failed to:

(1) pay the obligor's child support arrearage in full;

(2) establish a payment plan with the Title IV-D agency to pay the arrearage and request the activation of an income withholding order under IC 31-16-15-2; or

(3) request a hearing under section 35 of this chapter within twenty (20) days after the date the notice described in subsection (a) is mailed;

the Title IV-D agency shall issue an order to the bureau of motor vehicles stating that the obligor is delinquent.

(c) An order issued under subsection (b) must require the following:

(1) If the obligor who is the subject of the order holds a driving license or permit on the date the order is issued, that the driving privileges of the obligor be suspended until further order of the Title IV-D agency.

(2) If the obligor who is the subject of the order does not hold a driving license or permit on the date the order is issued, that the bureau of motor vehicles may not issue a driving license or permit to the obligor until the bureau of motor vehicles receives a further order from the Title IV-D agency.

(d) The Title IV-D agency shall provide the:

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(1) full name;
(2) date of birth;
(3) verified address; and
(4) Social Security number or driving license number;
of the obligor to the bureau of motor vehicles.

(e) When the Title IV-D agency finds that an obligor who is an applicant (as defined in IC 25-1-1.2-1) or a practitioner (as defined in IC 25-1-1.2-6) is delinquent and the applicant or practitioner has failed to:

(1) pay the obligor's child support arrearage in full;
(2) establish a payment plan with the Title IV-D agency to pay the arrearage or request the activation of an income withholding order under IC 31-16-15; or
(3) request a hearing under section 35 of this chapter;
the Title IV-D agency shall issue an order to the board regulating the practice of the obligor's profession or occupation stating that the obligor is delinquent.

(f) An order issued under subsection (e) must direct the board regulating the obligor's profession or occupation to impose the appropriate sanctions described under IC 25-1-1.2.

(g) When the Title IV-D agency finds that an obligor who is an attorney or a licensed teacher is delinquent and the attorney or licensed teacher has failed to:

(1) pay the obligor's child support arrearage in full;
(2) establish a payment plan with the Title IV-D agency to pay the arrearage or request the activation of an income withholding order under IC 31-16-15-2; or
(3) request a hearing under section 35 of this chapter;
the Title IV-D agency shall notify the supreme court disciplinary commission if the obligor is an attorney, or the professional standards board if the obligor is a licensed teacher, that the obligor is delinquent.

(h) When the Title IV-D agency finds that an obligor who holds a license issued under IC 4-31-6 or IC 4-33 has failed to:

(1) pay the obligor's child support arrearage in full;
(2) establish a payment plan with the Title IV-D agency to pay the arrearage and request the activation of an income withholding order under IC 31-16-15-2; or
(3) request a hearing under section 35 of this chapter;
the Title IV-D agency shall issue an order to the Indiana horse racing commission if the obligor holds a license issued under IC 4-31-6, or to the Indiana gaming commission if the obligor holds a license issued under IC 4-33, stating that the obligor is delinquent and directing the

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commission to impose the appropriate sanctions described in IC 4-31-6-11 or IC 4-33-8.5-3.

(i) When the Title IV-D agency finds that an obligor who holds a license issued under IC 27-1-15.6, IC 27-1-15.8, or IC 27-10-3 has failed to:

(1) pay the obligor's child support arrearage in full;

(2) establish a payment plan with the Title IV-D agency to pay the arrearage and request the activation of an income withholding order under IC 31-16-15-2; or

(3) request a hearing under section 35 of this chapter;

the Title IV-D agency shall issue an order to the commissioner of the department of insurance stating that the obligor is delinquent and directing the commissioner to impose the appropriate sanctions described in IC 27-1-15.6-29 or IC 27-10-3-20.

(j) When the Title IV-D agency finds that an obligor who holds a license issued by the department of natural resources under IC 14-22-12, IC 14-22-14, IC 14-22-16, IC 14-22-17, IC 14-22-19, IC 14-24-7, or IC 14-31-3 has failed to:

(1) pay the obligor's child support arrearage in full;

(2) establish a payment plan with the Title IV-D agency to pay the arrearage and request the activation of an income withholding order under IC 31-16-15-2; or

(3) request a hearing under section 35 of this chapter;

the Title IV-D agency shall issue an order to the director of the department of natural resources stating that the obligor is delinquent and directing the director to suspend or revoke a license issued to the obligor by the department of natural resources as provided in IC 14-11-3.

SECTION 133. IC 12-17-12-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. As used in this chapter, "school corporation" has the meaning set forth in ~~IC 20-8.1-1-1.~~ **IC 20-18-2-16.**

SECTION 134. IC 12-17-15-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec.16. (a) To the extent that the services are appropriate, the council shall advise and assist the department of education regarding the transition of toddlers with disabilities to preschool special education services under ~~IC 20-1-6.~~ **IC 20-35.**

(b) The council may advise and assist the division and the department of education regarding the provision of appropriate services for children who are five (5) years of age or younger.

SECTION 135. IC 12-17.2-2-1.5 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1.5. (a) The division shall require all child care centers or child care homes to submit a report containing the names and birth dates of all children who are enrolled in the child care center or child care home within three (3) months from the date the child care center or child care home accepts its first child, upon receiving the consent of the child's parent, guardian, or custodian as required under subsection (b). The division shall require all child care centers and child care homes that receive written consent as described under subsection (b) to submit a monthly report of the name and birth date of each additional child who has been enrolled in or withdrawn from the child care center or child care home during the preceding thirty (30) days.

(b) The division shall require all child care centers or child care homes to request whether the child's parent, guardian, or custodian desires the center or home to include the child's name and birth date in the reports described under subsection (a) before enrolling the child in the center or home. No child's name or birth date may be included on the report required under subsection (a) without the signed consent of the child's parent, guardian, or custodian. The consent form must be in the following form:

"I give my permission for _____ (name of day care center or home) to report the name and birth date of my child or children to the division of family and children pursuant to IC 12-17.2-2-1.5.

Name of child _____

Birth date _____

Signature of parent, guardian, or custodian

_____

Date _____"

(c) The division shall submit a monthly report of the information provided under subsection (a) to the Indiana clearinghouse on missing children established under IC 10-13-5.

(d) The division shall require that a person who transports children who are in the care of the child care center on a public highway (as defined in IC 9-25-2-4) within or outside Indiana in a vehicle designed and constructed for the accommodation of more than ten (10) passengers must comply with the same requirements set forth in ~~IC 20-9.1-5-6.6~~ **IC 20-27-9-12** for a public elementary or secondary school or a preschool operated by a school corporation.

SECTION 136. IC 12-17.2-2-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. The division shall exempt from licensure the following programs:

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(1) A program for children enrolled in grades kindergarten through 12 that is operated by the department of education or a public or private school.
(2) A program for children who become at least three (3) years of age as of December 1 of a particular school year (as defined in ~~IC 20-10.1-2-1)~~ **IC 20-18-2-17)** that is operated by the department of education or a public or private school.
(3) A nonresidential program for a child that provides child care for less than four (4) hours a day.
(4) A recreation program for children that operates for not more than ninety (90) days in a calendar year.
(5) A program whose primary purpose is to provide social, recreational, or religious activities for school age children, such as scouting, boys club, girls club, sports, or the arts.
(6) A program operated to serve migrant children that:
(A) provides services for children from migrant worker families; and
(B) is operated during a single period of less than one hundred twenty (120) consecutive days during a calendar year.
(7) A child care ministry registered under IC 12-17.2-6.
(8) A child care home if the provider:
(A) does not receive regular compensation;
(B) cares only for children who are related to the provider;
(C) cares for less than six (6) children, not including children for whom the provider is a parent, stepparent, guardian, custodian, or other relative; or
(D) operates to serve migrant children.
(9) A child care program operated by a public or private secondary school that:
(A) provides day care on the school premises for children of a student or an employee of the school;
(B) complies with health, safety, and sanitation standards as determined by the division under section 4 of this chapter for child care centers or in accordance with a variance or waiver of a rule governing child care centers approved by the division under section 10 of this chapter; and
(C) substantially complies with the fire and life safety rules as determined by the state fire marshal under rules adopted by the division under section 4 of this chapter for child care centers or in accordance with a variance or waiver of a rule governing child care centers approved by the division under section 10 of this chapter.

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(10) A school age child care program (commonly referred to as a latch key program) established under ~~IC 20-5-2-1.5~~ **IC 20-26-5-2** that is operated by:

(A) the department of education;

(B) a public or private school; or

(C) a public or private organization under a written contract with:

(i) the department of education; or

(ii) a public or private school.

SECTION 137. IC 12-19-7-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. As used in this chapter, "child services" means the following:

(1) Child welfare services specifically provided for children who are:

(A) adjudicated to be:

(i) children in need of services; or

(ii) delinquent children; or

(B) recipients of or are eligible for:

(i) informal adjustments;

(ii) service referral agreements; and

(iii) adoption assistance;

including the costs of using an institution or facility in Indiana for providing educational services as described in either ~~IC 20-8.1-3-36~~ **IC 20-33-2-29** (if applicable) or ~~IC 20-8.1-6.1-8~~ **IC 20-26-11-13** (if applicable), all services required to be paid by a county under IC 31-40-1-2, and all costs required to be paid by a county under ~~IC 20-8.1-6.1-7.~~ **IC 20-26-11-12.**

(2) Assistance awarded by a county to a destitute child under IC 12-17-1.

(3) Child welfare services as described in IC 12-17-3.

SECTION 138. IC 12-20-11-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) If a ~~poor relief~~ **township assistance** recipient, after referral by the township trustee, is accepted and attends adult education courses under ~~IC 20-10.1-7-1~~ **IC 20-30-6-1** or courses at Ivy Tech State College established by IC 20-12-61, the ~~poor relief~~ **township assistance** recipient is exempt from performing work or searching for work for not more than one hundred eighty (180) days.

(b) The township trustee may reimburse a ~~poor relief~~ **township assistance** recipient for tuition expenses incurred in attending the courses described in subsection (a) if the recipient:

(1) has a proven aptitude for the courses being studied;

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(2) was referred by the trustee;
(3) does not qualify for other tax supported educational programs;
(4) maintains a passing grade in each course; and
(5) maintains the minimum attendance requirements specified by the educational institution.

SECTION 139. IC 12-21-5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. ~~IC 20-1-6-2.1~~ **IC 20-35-2** applies to the operation of each education program for children with disabilities (as defined in ~~IC 20-1-6-1)~~ **IC 20-35-1-2)** conducted by a state owned and operated mental health institution or furnished under an agreement with the division.

SECTION 140. IC 12-24-13-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) Whenever placement of a child with a disability (as defined in ~~IC 20-1-6-1)~~ **IC 20-35-1-2)** in a state institution is necessary for the provision of special education for that child, the cost of the child's education program, nonmedical care, and room and board shall be paid by the division rather than by the child's parents, guardian, or other responsible party.

(b) The child's parents, guardian, or other responsible party shall pay the cost of any transportation not required by the child's individualized education program (as defined in ~~IC 20-1-6-1).~~ **IC 20-18-2-9).** The school corporation in which the child has legal settlement (as determined ~~by IC 20-8.1-6.1-1)~~ **under IC 20-26-11)** shall pay the cost of transportation required by the student's individualized education program under ~~IC 20-1-6-18.2.~~ **IC 20-35-8-2.** However, this section does not relieve an insurer or other third party from an otherwise valid obligation to provide or pay for the services provided to the child.

(c) The Indiana state board of education and the divisions shall jointly establish a procedure and standards for determining when placement in a state institution is necessary for the provision of special education for a child.

SECTION 141. IC 13-11-2-142.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 142.6. "Nonpublic school", for purposes of IC 13-20-17.5, has the meaning set forth in ~~IC 20-10.1-1-3.~~ **IC 20-18-2-12.**

SECTION 142. IC 13-11-2-176.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 176.5. "Public school", for purposes of IC 13-20-17.5, has the meaning set forth in ~~IC 20-10.1-1-2.~~ **IC 20-18-2-15.**

SECTION 143. IC 14-21-1-13.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13.5. (a) The division

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may conduct a program to survey and register in a registry of Indiana cemeteries and burial grounds that the division establishes and maintains all cemeteries and burial grounds in each county in Indiana. The division may conduct the program alone or by entering into an agreement with one (1) or more of the following entities:

(1) The Indiana Historical Society established under IC 23-6-3.

(2) A historical society (as defined in ~~IC 20-5-17.5-1(a).~~ **IC 36-10-13-3).**

(3) The Historic Landmarks Foundation of Indiana.

(4) A professional archeologist or historian associated with a college or university.

(5) A township trustee.

(6) Any other entity that the division selects.

(b) In conducting a program under subsection (a), the division may receive gifts and grants under terms, obligations, and liabilities that the director considers appropriate. The director shall use a gift or grant received under this subsection:

(1) to carry out subsection (a); and

(2) according to the terms of the gift or grant.

(c) At the request of the director, the auditor of state shall establish a trust fund for purposes of holding money received under subsection (b).

(d) The director shall administer a trust fund established by subsection (c). The expenses of administering the trust fund shall be paid from money in the trust fund.

(e) The treasurer of state shall invest the money in the trust fund established by subsection (c) that is not currently needed to meet the obligations of the trust fund in the same manner as other public trust funds may be invested. The treasurer of state shall deposit in the trust fund the interest that accrues from the investment of the trust fund.

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

(g) Nothing in this section may be construed to authorize violation of the confidentiality of information requirements of 16 U.S.C. 470(w) and 16 U.S.C. 470(h)(h).

(h) The division may record in each county recorder's office the location of each cemetery and burial ground located in that county.

SECTION 144. IC 16-33-3-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. The state department shall administer the center. The state health commissioner, subject to ~~IC 20-1-6-2.1,~~ **IC 20-35-2,** has complete administrative control and responsibility for the center.

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SECTION 145. IC 16-33-3-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. Subject to the review and approval of the department of education and the state health commissioner or the commissioner's designee, the director of the center shall receive as clients in the center children with multiple disabilities who meet the following conditions:

(1) Are expected to benefit from residence in the center as part of an individualized education program (as defined in ~~IC 20-1-6-1(5)).~~ **IC 20-18-2-9).**

(2) Are residents of Indiana.

(3) Possess at least two (2) major disabling conditions.

(4) Are less than twenty-two (22) years of age.

(5) Whose admissions have been approved by the department of education in accordance with the procedures implementing ~~IC 20-1-6-19.~~ **IC 20-35-6-2.**

SECTION 146. IC 16-33-3-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. (a) The center shall provide tuition, board, room, laundry, and ordinary medical attention, including emergencies.

(b) The parents, guardian, or other persons shall provide medical, optical, and dental care involving special medication or prostheses.

(c) When a client is properly admitted to the center, the client's parents, guardian, responsible relative, or other person shall suitably provide the client with clothing at the time of the client's entrance into the center and during the client's stay at the center.

(d) The client's parent or guardian shall bear the cost of transportation not required by the client's individualized education program (as defined by ~~IC 20-1-6-1).~~ **IC 20-18-2-9).** The school corporation in which the client has legal settlement shall bear the cost of transportation required by the client's individualized education program under ~~IC 20-1-6-18.2.~~ **IC 20-35-8-2.**

(e) The client's parents, guardian, or responsible relative or other person shall provide incidental expense money needed by the client.

SECTION 147. IC 16-33-4-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 11. (a) After an adequate investigation as determined by the superintendent of the home or the superintendent's designee, including consideration of appropriateness of placement, and with the approval of the state health commissioner or the commissioner's designee, the superintendent of the home shall receive as a resident in the home a child if the child meets the requirements under subsection (b).

(b) Before the child may be received as a resident in the home under

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subsection (a) the child must meet the following requirements:

(1) The parent or parents of the child are Indiana residents immediately before application or the child is physically present in Indiana immediately before application.

(2) The child is at least three (3) years of age but less than eighteen (18) years of age.

(3) The child is in need of residential care and education.

(c) If the applications of all children of members of the armed forces have been considered and space is available, the superintendent of the home may, if a child meets the requirements under subsection (b), receive as residents in the home the:

(1) grandchildren;

(2) stepchildren;

(3) brothers;

(4) sisters;

(5) nephews; and

(6) nieces;

of members of the armed forces who are in need of residential care and education.

(d) If the applications of all children eligible for residence under subsections (a) through (c) have been considered and if space is available, the superintendent may accept for residence children referred:

(1) by the division of family and children established by IC 12-13-1-1; or

(2) by the division of special education established by ~~IC 20-1-6-2.1;~~ **IC 20-35-2-1;**

subject to an adequate investigation as determined by the superintendent of the home or the superintendent's designee, including a consideration of appropriateness of placement, and the approval of the state health commissioner or the commissioner's designee.

SECTION 148. IC 16-41-37-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. As used in this chapter, "public building" means an enclosed structure or the part of an enclosed structure that is one (1) of the following:

(1) Occupied by an agency of state or local government.

(2) Used as a classroom building or a dining area at a state educational institution (as defined in IC 20-12-0.5-1).

(3) Used as a public school (as defined in ~~IC 20-10.1-1-2).~~ **IC 20-18-2-15).**

(4) Licensed as a health facility under IC 16-21 or IC 16-28.

(5) Used as a station for paid firefighters.

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(6) Used as a station for paid police officers.

(7) Licensed as a child care center or child care home or registered as a child care ministry under IC 12-17.2.

(8) Licensed as a hospital under IC 16-21 or a county hospital subject to IC 16-22.

(9) Used as a provider's office.

SECTION 149. IC 21-1-4-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) It is the duty of the general assembly under the Constitution of the State of Indiana to encourage by all suitable means moral, intellectual, scientific, and agricultural improvement and to provide, by law, for a general and uniform system of common schools, wherein tuition shall be without charge, and equally open to all.

(b) It is the intent of the general assembly that:

(1) the common school fund should be used to:

(A) assist school corporations and school townships in financing their school building construction and educational technology programs; and

(B) assist charter schools in financing their operations;

as authorized by law and under circumstances such that the principal of the fund remains inviolate;

(2) to the end described in subdivision (1), the common school fund may be used to make advances to:

(A) school corporations and school townships under IC 21-1-5; and

(B) charter schools under ~~IC 20-5.5-7-3.5(f)~~ **IC 20-24-7-3(f)** and ~~IC 20-5.5-7.5;~~ **IC 21-1-32;** and

(3) this chapter is in furtherance of the duties which are imposed exclusively upon the general assembly by the Constitution of the State of Indiana in connection with the maintenance of a general and uniform system of common schools and the investment and reinvestment of the common school fund and shall be liberally construed to carry out the purposes of the Constitution of the State of Indiana.

(c) In addition, the common school fund may be used to make advances under IC 21-1-5.1.

SECTION 150. IC 21-1-4-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. The administration of the common school fund and the responsibility for carrying out and making effective this chapter are vested in the Indiana state board of education ~~created~~ **established** by ~~IC 20-1-1.~~ **IC 20-19-2-2.**

SECTION 151. IC 21-1-5-1 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. This chapter applies to school corporations organized and formed through reorganization under ~~IC 20-4-1, IC 20-4-5,~~ **IC 20-23-4, IC 20-23-6,** or ~~IC 20-4-8~~ **IC 20-23-7** and school townships under ~~IC 20-2-8.~~ **IC 20-23-3.** However, if a school corporation or school township sustains loss by fire, wind, cyclone, or other disaster, of all or a major portion of its school building or school buildings, sections 4 and 9 of this chapter do not apply.

SECTION 152. IC 21-1-5.1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. Unless otherwise provided, as used in this chapter, "school corporation" has the meaning set forth in ~~IC 20-10.1-1-1.~~ **IC 20-18-2-16.**

SECTION 153. IC 21-1-5.1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. To assist a school corporation in providing the school corporation's educational program to a student placed in a facility or home as described in ~~IC 20-8.1-6.1-5(a)~~ **IC 20-26-11-8(a)** or ~~IC 20-8.1-6.1-5(b)~~ **IC 20-26-11-8(b)** and not later than October 1 of each school year, the Indiana state board of education may advance money from the common school fund to a school corporation in anticipation of the school corporation's receipt of transfer tuition for students described in ~~IC 20-8.1-6.1-5(a)~~ **IC 20-26-11-8(a)** or ~~IC 20-8.1-6.1-5(b)~~ **IC 20-26-11-8(b)** in an amount not to exceed the STEP TWO amount of the following formula:

STEP ONE: Estimate for the current school year the number of students described in ~~IC 20-8.1-6.1-5(a)~~ **IC 20-26-11-8(a)** or ~~IC 20-8.1-6.1-5(b)~~ **IC 20-26-11-8(b)** that are transferred to the school corporation.

STEP TWO: Multiply the STEP ONE amount by the school corporation's prior year per student transfer tuition amount.

SECTION 154. IC 21-1-5.1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. A school corporation receiving an advancement under this chapter shall notify the school corporation or auditor of state from which the school corporation receives transfer tuition under ~~IC 20-8.1-6.1~~ **IC 20-26-11** for students described in ~~IC 20-8.1-6.1-5(a)~~ **IC 20-26-11-8(a)** or ~~IC 20-8.1-6.1-5(b)~~ **IC 20-26-11-8(b)** of the amount of interest withheld under section 3 of this chapter. The school corporation or auditor of state shall reimburse the school corporation for the interest expense at the same time the transfer tuition is paid.

SECTION 155. IC 21-1-5.1-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) A school

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corporation's obligation to repay the advancement may not be construed to be diminished or otherwise affected if the school corporation in which the student has legal settlement fails to pay the transfer tuition as required under ~~IC 20-8.1-6.1~~ **IC 20-26-11** to the transferee school corporation in a timely manner.

(b) An advancement from the common school fund may not be construed to be an obligation of the school corporation within the meaning of the limitation against indebtedness under the Constitution of the State of Indiana.

SECTION 156. IC 21-1-11-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. There is created a fund to be known as the veterans memorial school construction fund. The administrative control of the fund and the responsibility for carrying out and making effective the provisions of this chapter are vested in the Indiana state board of education established by ~~IC 20-1-1-1.~~ **IC 20-19-2-2.** The superintendent of public instruction shall, from funds appropriated for administering this chapter, provide office space and employees to enable the state board of education to perform the duties required of it by this chapter. The state board of education shall have the power to make rules necessary for the proper administration of the fund and for carrying out the provisions of this chapter.

SECTION 157. IC 21-1-11-3.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3.1. (a) The state board of education may make a disaster loan to a school corporation that has suffered loss by fire, flood, tornado, wind, or other disaster which makes all or part of the school building or buildings unfit for school purposes as defined in ~~IC 20-5-44.~~ **IC 20-26-7-29 through IC 20-26-7-34.**

(b) A loan made under this section may not exceed three million dollars ($3,000,000). The school corporation shall repay the loan within twenty (20) years at an annual interest rate of one percent (1%) of the unpaid balance.

(c) The amounts repaid by school corporations under subsection (b) of this section shall be deposited in a special fund to be known as the "school disaster loan fund". The money remaining in the school disaster loan fund at the end of a fiscal year does not revert to the state general fund. The state board of education may use the money in the school disaster loan fund only to make disaster loans to school corporations under this section.

(d) The provisions of sections 5, 6, and 7 of this chapter do not apply to loans made under this section.

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SECTION 158. IC 21-1-11-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. The state board of education shall compute and ascribe to such applicant school or school corporation a school building index, which shall be the ratio of the school building need, in terms of money, to the school corporation tax ability, in terms of money, both as defined in this section as follows:

(a) The school building need, in terms of money, of a school or school corporation shall be determined by adding to the average daily attendance of school children in grades one (1) through twelve (12) of such school or school corporation during the current school year in which application for an advancement is made, twice the average daily attendance increase of said school or school corporation for the preceding three (3) years. However, the state board of education shall have authority to make adjustments to reflect the effect of changes of boundary lines, loss of transfer pupils, or loss of resident pupils to private, parochial, or cooperative program schools within such three (3) year period. The sum so obtained shall then be divided by twenty-five (25) to determine the number of classrooms needed to house the estimated enrollment increase. From the quotient so obtained there shall be subtracted the number of classrooms which are owned, or under a lease-rental arrangement, or under construction in said school corporation and which were constructed for and normally used for classroom purposes, at the time of making application for an advancement. However, there shall not be subtracted classrooms in a building or buildings found to be inadequate for the proper education of pupils under standards and procedures prescribed by the Indiana state board of education, or which have been condemned under the provisions of ~~IC 20-5-44~~ **IC 20-26-7-29 through IC 20-26-7-34** and which are to be replaced by funds applied for. The remainder so obtained shall be multiplied by the amount of twenty thousand dollars ($20,000), and the product thereof shall be the school building need of such school or school corporation in the terms of money.

(b) The school corporation tax ability, in terms of money, shall be six and one-half percent (6 1/2%) of the adjusted value of taxable property within a school corporation as determined under IC 36-1-15 for state and county taxes immediately preceding the date of application, minus the principal amount of any outstanding general obligation bonds of such school or school corporation, and minus the principal amount of outstanding obligations of any corporation or holding company which has

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entered into a lease-rental agreement with the applicant school corporation, and minus the principal amount of outstanding civil township, town, or city school building bonds.

(c) If the school corporation tax ability of any school corporation as computed under subdivision (b) is less than one hundred dollars ($100), the school corporation tax ability shall be deemed to be and shall be considered for the purposes of this chapter as being in the amount of one hundred dollars ($100).

SECTION 159. IC 21-2-4-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. The governing body of each school corporation in Indiana shall establish a debt service fund for the payment of:

(1) all debt and other obligations arising out of funds borrowed or advanced for school buildings when purchased from the proceeds of a bond issue for capital construction;

(2) a lease to provide capital construction;

(3) interest on emergency and temporary loans;

(4) all debt and other obligations arising out of funds borrowed or advanced for the purchase or lease of school buses when purchased or leased from the proceeds of a bond issue, or from money obtained from a loan made under ~~IC 20-9.1-6-5,~~ **IC 20-27-4-5,** for that purpose;

(5) all debt and other obligations arising out of funds borrowed to pay judgments against the school corporation; or

(6) all debt and other obligations arising out of funds borrowed to purchase equipment.

The term "debt service" shall include but not be limited to lease rental obligations, school bonds and coupons and civil bond obligations assumed by school corporations reorganized pursuant to ~~IC 20-4-1,~~ **IC 20-23-4,** and any interest cost on emergency and temporary loans but shall not include the repayment of the principal of the emergency and temporary loans obtained for benefit of any other fund. All receipts and disbursements authorized by law for school funds and tax levies for the lease rental fund, bond fund, sinking fund, civil bond obligation fund, and payment of interest on emergency and temporary loans shall be received in and disbursed from the debt service fund.

SECTION 160. IC 21-2-5.6-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. The self-insurance fund may be used to provide monies for the following purposes:

(1) the payment of any judgment rendered against the school corporation, or rendered against any officer or employee of the school corporation for which the school corporation is liable

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under IC 34-13-2, IC 34-13-3, or IC 34-13-4 (or IC 34-4-16.5, IC 34-4-16.6, or IC 34-4-16.7 before their repeal);

(2) the payment of any claim or settlement for which the school corporation is liable pursuant to IC 34-13-2, IC 34-13-3, or IC 34-13-4 (or IC 34-4-16.5, IC 34-4-16.6, or IC 34-4-16.7 before their repeal);

(3) the payment of any premium, management fee, claim, or settlement for which the school corporation is liable pursuant to any federal or state statute including but not limited to payments pursuant to IC 22-3 and IC 22-4; or

(4) the payment of any settlement or claim for which insurance coverage is permitted under ~~IC 20-5-2-2(14).~~ **IC 20-26-5-4(15).**

SECTION 161. IC 21-2-11-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) Any lawful school expenses payable from any other fund of the school corporation, including without limitation debt service and capital outlay, but excluding costs attributable to transportation (as defined in IC 21-2-11.5-2), may be budgeted in and paid from the general fund. However, after June 30, 2003, and before July 1, 2005, a school corporation may budget for and pay costs attributable to transportation (as defined in IC 21-2-11.5-2) from the general fund.

(b) In addition, remuneration for athletic coaches (whether or not they are otherwise employed by the school corporation and whether or not they are licensed under ~~IC 20-6.1-3)~~ **IC 20-28-4 or IC 20-28-5)** may be budgeted in and paid from the school corporation's general fund.

(c) During the period beginning July 1, 2003, and ending June 30, 2005, the school corporation may transfer money in a fund maintained by the school corporation (other than the special education preschool fund (IC 21-2-17-1) or the school bus replacement fund (IC 21-2-11.5-2)) that is obtained from:

(1) a source other than a state distribution or local property taxation; or

(2) a state distribution or a property tax levy that is required to be deposited in the fund;

to any other fund. A transfer under subdivision (2) may not be the sole basis for reducing the property tax levy for the fund from which the money is transferred or the fund to which money is transferred. Money transferred under this subsection may be used only to pay costs, including debt service, attributable to reductions in funding for transportation distributions under IC 21-3-3.1, including reimbursements associated with transportation costs for special

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education and vocational programs under IC 21-3-3.1-4, and ADA flat grants under IC 21-3-4.5. The property tax levy for a fund from which money was transferred may not be increased to replace the money transferred to another fund.

(d) The total amount transferred under subsection (c) may not exceed the following:

(1) For the period beginning July 1, 2003, and ending June 30, 2004, the total amount of state funding received for transportation distributions under IC 21-3-3.1, including reimbursements associated with transportation costs for special education and vocational programs under IC 21-3-3.1-4, and ADA flat grants under IC 21-3-4.5 for the same period.

(2) For the period beginning July 1, 2004, and ending June 30, 2005, the product of:

(A) the amount determined under subdivision (1); multiplied by

(B) two (2).

SECTION 162. IC 21-2-11.5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) Each calendar year, the governing body of each school corporation shall establish a school transportation fund which shall be the exclusive fund used by the school corporation for the payment of costs attributable to transportation listed in subdivisions (1) through (7), as authorized under IC 20, of school children during the school year ending in the calendar year:

(1) The salaries paid bus drivers, transportation supervisors, mechanics and garage employees, clerks, and other transportation-related employees.

(2) Contracted transportation service, other than costs payable from the school bus replacement fund under subsection (e).

(3) Wages of independent contractors.

(4) Contracts with common carriers.

(5) Pupil fares.

(6) Transportation-related insurance.

(7) Other expenses of operating the school corporation's transportation service, including gasoline, lubricants, tires, repairs, contracted repairs, parts, supplies, equipment, and other related expenses.

(b) The governing body of each school corporation shall establish a school bus replacement fund. The school bus replacement fund shall be the exclusive fund used to pay the following costs attributable to transportation:

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(1) Amounts paid for the replacement of school buses, either through a purchase agreement or under a lease agreement.

(2) The costs of contracted transportation service payable from the school bus replacement fund under subsection (e).

(c) Beginning January 1, 1996, portions, percentages, or parts of salaries of teaching personnel or principals are not attributable to transportation. However, parts of salaries of instructional aides who are assigned to assist with the school transportation program are attributable to transportation. The costs described in this subsection (other than instructional aide costs) may not be budgeted for payment or paid from the school transportation fund.

(d) Costs for a calendar year are those costs attributable to transportation for school children during the school year ending in the calendar year.

(e) Before the last Thursday in August in the year preceding the first school year in which a proposed contract commences, the governing body of a school corporation may elect to designate a portion of a transportation contract (as defined in ~~IC 20-9.1-1-8),~~ **IC 20-27-2-12),** fleet contract (as defined in ~~IC 20-9.1-1-8.2),~~ **IC 20-27-2-5),** or common carrier contract (as defined in ~~IC 20-9.1-1-9)~~ **IC 20-27-2-3)** as an expenditure payable from the school bus replacement fund. An election under this section must be made in a transportation plan approved by the department of local government finance under section 3.1 of this chapter. The election applies throughout the term of the contract. The amount that may be paid from the school bus replacement fund in a school year is equal to the fair market lease value in the school year of each school bus, school bus chassis, or school bus body used under the contract, as substantiated by invoices, depreciation schedules, and other documented information available to the school corporation. The allocation of costs under this subsection to the school bus replacement fund must comply with the allocation guidelines adopted by the department of local government finance and the accounting standards prescribed by the state board of accounts.

SECTION 163. IC 21-2-12-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. It is hereby declared to be the policy of this chapter:

(a) That in certain areas in this state there exists a condition created by the shift in population from urban centers to outlying areas which has created administrative and financial problems in the maintenance and operation of school systems in such areas, resulting in maladjustment of taxable wealth in such areas for the levying of taxes for the operation of the schools;

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(b) That improvement in the administrative and financial structures of the school corporations existing in such outlying areas to the urban centers is essential for the establishment and maintenance of a general uniform and efficient system of public schools to provide a more equalized educational opportunity for public school pupils, the achievement of greater equity in school tax rates among the inhabitants of the various now existing school corporations in such areas, and the provision for more use of the public funds expended for the support of the public school system;

(c) That existing statutes with respect to the granting of financial assistance on a county-wide basis, allowing a more favorable use of the taxable wealth of the county for the support of the various school districts within the county, are inadequate to effectuate the need for this improvement in those areas described herein; and

(d) That modification in the present statutory provisions pertaining to the levying of tax rates for school purposes for such areas as qualify within the definitions in this chapter is essential to carry out the purposes of ~~IC 20-4-1,~~ **IC 20-23-4,** and to that end it is the intent of this general assembly, by this chapter, to make provision for a more satisfactory use of the taxable wealth of counties that qualify under this chapter for the promotion, betterment, and improvement of their educational systems.

SECTION 164. IC 21-2-13-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. It is hereby declared to be the policy of this chapter:

(a) that in certain areas in this state there exists a condition created by the large concentration of taxable property in a single township away from outlying areas which has created administrative and financial problems in the maintenance and operation of school systems in such areas, resulting in maladjustment of taxable wealth in such areas for the levying of taxes for the operation of the schools;

(b) that improvement in the administrative and financial structures of the school corporations existing on March 12, 1965, in such outlying areas is essential for the establishment and maintenance of a general uniform and efficient system of public schools to provide a more equalized educational opportunity for public school pupils, the achievement of greater equity in school tax rates among the inhabitants of the various school corporations existing on March 12, 1965, in such areas, and the provision for more use of the public funds expended for the support of the public school systems;

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(c) that statutes existing on March 12, 1965, with respect to the granting of financial assistance on a countywide school basis, allowing a more favorable use of the taxable wealth of the county for the support of the various school districts within or attached to the county, are inadequate to effectuate the need for this improvement in those areas described in this chapter; and

(d) that modification in the statutory provisions existing on March 12, 1965, pertaining to the levying of tax rates for school purposes for such areas as qualify within the definitions in this chapter is essential to carry out the purposes of ~~IC 20-4-1,~~ **IC 20-23-4,** and the tax levied under this chapter shall be deemed a county tax within the meaning of ~~IC 20-4-1,~~ **IC 20-23-4,** and to that end it is the intent of this general assembly, by this chapter, to make provision for a more satisfactory use of the taxable wealth of counties that qualify under this chapter for the promotion, betterment, and improvement of their educational systems.

SECTION 165. IC 21-2-13-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. The following terms wherever used and referred to in this chapter shall have the following meanings unless otherwise indicated by the context:

(a) The term "average daily membership (ADM)" has the same meaning as defined in IC 21-3-1.6-1.1(d).

(b) "County" means a county having a population of more than forty-six thousand one hundred eight (46,108) but less than forty-six thousand two hundred fifty (46,250) and any area attached thereto for school purposes.

(c) "County auditor" means the auditor of the county.

(d) "School corporation" means any school corporation of the state of Indiana which has under its jurisdiction any territory located in the county or assigned to the county for school purposes.

(e) "County supplemental school financing tax" means the tax to be levied by the board of county commissioners under this chapter for all areas assigned to the county for school purposes.

(f) "County school distribution fund" means the county fund into which the receipts from the county supplemental financing tax shall be credited and from which distribution to the school corporation shall be charged.

(g) "Assessed valuation" of any school corporation means the net assessed value of its real and taxable personal property adjusted by a percentage factor. This factor shall be computed by the department of local government finance on a township-wide basis for each township in the county and areas assigned thereto for school purposes in the

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same manner that the department of local government finance computes a factor for the various counties of the state under IC 6-1.1-34. In determining the assessed valuation of any school corporation, the factor for any township shall be applied to the assessed valuation of the real and taxable personal property of each school corporation lying within such township and school areas attached thereto.

(h) "School year" means school year as defined in ~~IC 20-10.1-2-1.~~ **IC 20-18-2-17.**

(i) The "entitlement" of a school corporation is that portion of the county school distribution fund to which any school corporation is entitled for any calendar year and on the basis of which the county supplemental school financing tax is set under the provisions of this chapter.

(j) "Receiving school corporation" means any school corporation receiving an entitlement under this chapter which exceeds the amount of the tax, provided for in section 5 of this chapter, collected on the assessed valuation of such school corporation.

(k) "Paying school corporation" means any school corporation in which the tax provided for in section 5 of this chapter, collected on the assessed valuation of such school corporation, exceeds the amount of the entitlement payable to such school corporation under this chapter.

(l) "Total school tax rate" means the sum of the tax rates levied for all school purposes.

SECTION 166. IC 21-2-14-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. (a) The loan provided in section 4 of this chapter shall be initiated by a resolution of the governing body of the school corporation in an amount which, together with the outstanding obligations of the school corporation, shall not exceed its maximum permissible debt under the Indiana constitution. Such resolution shall not be effective until it is approved by the State Board upon petition of the governing body of the school corporation.

(b) The provisions of all general laws relating to the filing of petitions requesting issuance of bonds or other evidences of indebtedness (herein referred to as "the loan") and giving of notice of determination to issue bonds, the approval of the appropriation by the department of local government finance, and the right of taxpayers to remonstrate on the issuance or sale of the loan as provided under IC 6-1.1-20 shall not be applicable or shall not be a prerequisite to the validity of such loan, unless the obligation is a lease or lease purchase agreement described in IC 6-1.1-20.

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(c) After the petition has been approved by the state board, the loan may be effected either by a loan from a financial institution evidenced by notes or by the issuance of bonds. The loan or the issuance of bonds shall be made only by public bidding after notice, in accordance with IC 5-1-11. The loan or bonds shall be sold at par and bear interest as determined by the bidding. Any bonds issued shall, except as otherwise provided in this section, be governed by ~~IC 20-5-4.~~ **IC 21-2-21.** Any such bonds or loan may be secured by a pledge of the supplemental school operating reserve fund and the tax levy for such fund, or any unobligated part thereof; and shall be further secured as debt service obligations as provided in ~~IC 20-5-4-10(2).~~ **IC 21-2-21-10(c).**

SECTION 167. IC 21-2-15-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) As used in this subsection, "calendar year distribution" means the sum of:

(1) all distributions to a school corporation under:

(A) IC 6-1.1-19-1.5;

(B) IC 21-1-30;

(C) IC 21-3-1.7;

(D) IC 21-3-2.1; and

(E) IC 21-3-12;

for the calendar year; plus

(2) the school corporation's excise tax revenue (as defined in IC 21-3-1.7-2) for the immediately preceding calendar year.

(b) A school corporation may establish a capital projects fund.

(c) With respect to any facility used or to be used by the school corporation (other than a facility used or to be used primarily for interscholastic or extracurricular activities, except as provided in subsection (j)), the fund may be used to pay for the following:

(1) Planned construction, repair, replacement, or remodeling.

(2) Site acquisition.

(3) Site development.

(4) Repair, replacement, or site acquisition that is necessitated by an emergency.

(d) The fund may be used to pay for the purchase, lease, repair, or maintenance of equipment to be used by the school corporation (other than vehicles to be used for any purpose and equipment to be used primarily for interscholastic or extracurricular activities, except as provided in subsection (j)).

(e) The fund may be used for any of the following purposes:

(1) To purchase, lease, upgrade, maintain, or repair one (1) or more of the following:

(A) Computer hardware.

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(B) Computer software.

(C) Wiring and computer networks.

(D) Communication access systems used to connect with computer networks or electronic gateways.

(2) To pay for the services of full-time or part-time computer maintenance employees.

(3) To conduct nonrecurring inservice technology training of school employees.

(4) To fund the payment of advances, together with interest on the advances, from the common school fund for educational technology programs under IC 21-1-5.

(5) To fund the acquisition of any equipment or services necessary:

(A) to implement the technology preparation curriculum under ~~IC 20-10.1-5.6,~~ **IC 20-30-12;**

(B) to participate in a program to provide educational technologies, including computers, in the homes of students (commonly referred to as "the buddy system project") under ~~IC 20-10.1-25,~~ **IC 20-20-13-6,** the 4R's technology program under ~~IC 20-10.1-25,~~ **IC 20-20-15-4,** or any other program under the educational technology program described in ~~IC 20-10.1-25,~~ **IC 20-20-13;** or

(C) to obtain any combination of equipment or services described in clauses (A) and (B).

(f) The fund may be used to purchase:

(1) building sites;

(2) buildings in need of renovation;

(3) building materials; and

(4) equipment;

for the use of vocational building trades classes to construct new buildings and to remodel existing buildings.

(g) The fund may be used for leasing or renting of existing real estate, excluding payments authorized under IC 21-5-11 and IC 21-5-12.

(h) The fund may be used to pay for services of the school corporation employees that are bricklayers, stone masons, cement masons, tile setters, glaziers, insulation workers, asbestos removers, painters, paperhangers, drywall applicators and tapers, plasterers, pipe fitters, roofers, structural and steel workers, metal building assemblers, heating and air conditioning installers, welders, carpenters, electricians, or plumbers, as these occupations are defined in the United States Department of Labor, Employment and Training Administration,

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Dictionary of Occupational Titles, Fourth Edition, Revised 1991, if:

(1) the employees perform construction of, renovation of, remodeling of, repair of, or maintenance on the facilities and equipment specified in subsections (b) and (c);

(2) the school corporation's total annual salary and benefits paid by the school corporation to employees described in this subsection are at least six hundred thousand dollars ($600,000); and

(3) the payment of the employees described in this subsection is included as part of the proposed capital projects fund plan described in section 5(a) of this chapter.

However, the number of employees that are covered by this subsection is limited to the number of employee positions described in this subsection that existed on January 1, 1993. For purposes of this subsection, maintenance does not include janitorial or comparable routine services normally provided in the daily operation of the facilities or equipment.

(i) The fund may be used to pay for energy saving contracts entered into by a school corporation under IC 36-1-12.5.

(j) Money from the fund may be used to pay for the construction, repair, replacement, remodeling, or maintenance of a school sports facility. However, a school corporation's expenditures in a calendar year under this subsection may not exceed five percent (5%) of the property tax revenues levied for the fund in the calendar year.

(k) Money from the fund may be used to carry out a plan developed under ~~IC 20-10.1-33.~~ **IC 16-41-37.5.**

(l) This subsection applies during the period beginning January 1, 2004, and ending December 31, 2005. Money from the fund may be used to pay for up to one hundred percent (100%) of the following costs of a school corporation:

(1) Utility services.

(2) Property or casualty insurance.

(3) Both utility services and property or casualty insurance.

In the 2004 calendar year, a school corporation's expenditures under this subsection may not exceed one percent (1%) of the school corporation's 2003 calendar year distribution. In the 2005 calendar year, a school corporation's expenditures under this subsection may not exceed two percent (2%) of the school corporation's 2003 calendar year distribution.

(m) Notwithstanding subsection (l), a school corporation's expenditures under subsection (l) in the 2004 calendar year may exceed one percent (1%) of the school corporation's 2003 calendar year

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distribution if the school corporation's 2004 calendar year distribution is less than the school corporation's 2003 calendar year distribution. The amount by which a school corporation's expenditures under subsection (l) in the 2004 calendar year may exceed one percent (1%) of the school corporation's 2003 calendar year distribution is the least of the following:

(1) One percent (1%) of the school corporation's 2003 calendar year distribution.

(2) The greater of zero (0) or the difference between:

(A) the sum of:

(i) the school corporation's calendar year distribution;

(ii) the amount determined for the school corporation under subsection (l); plus

(iii) the amount determined for the school corporation under this subsection, if any;

for the immediately preceding calendar year; minus

(B) the school corporation's calendar year distribution for the calendar year.

(3) The difference between:

(A) one hundred percent (100%) of the school corporation's costs for utility services and property or casualty insurance; minus

(B) the amount determined for the school corporation under subsection (l) for the calendar year.

(n) Notwithstanding subsection (l), a school corporation's expenditures under subsection (l) in the 2005 calendar year may exceed two percent (2%) of the school corporation's 2003 calendar year distribution if the school corporation's 2005 calendar year distribution is less than the school corporation's 2003 calendar year distribution. The amount by which a school corporation's expenditures under subsection (l) in the 2005 calendar year may exceed two percent (2%) of the school corporation's 2003 calendar year distribution is the least of the following:

(1) Two percent (2%) of the school corporation's 2003 calendar year distribution.

(2) The greater of zero (0) or the difference between:

(A) the sum of:

(i) the school corporation's calendar year distribution;

(ii) the amount determined for the school corporation under subsection (l); plus

(iii) the amount determined for the school corporation under this subsection, if any;

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for the immediately preceding calendar year; minus

(B) the school corporation's calendar year distribution for the calendar year.

(3) The difference between:

(A) one hundred percent (100%) of the school corporation's costs for utility services and property or casualty insurance; minus

(B) the amount determined for the school corporation under subsection (l) for the calendar year.

SECTION 168. IC 21-2-17-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. To implement ~~IC 20-1-6-14.1~~ **IC 20-35-4-9** and ~~IC 20-5-2-1.2,~~ **IC 20-26-5-1,** each school corporation shall establish a fund to be known as the special education preschool fund. The fund consists of property taxes imposed under this chapter and distributions to the school from the state under this chapter. Money in the fund may be used only for special education programs for preschool age children, as required under ~~IC 20-1-6-14.1.~~ **IC 20-35-4-9.**

SECTION 169. IC 21-2-18-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) Except as provided in subsection (b), the fund may be used for one (1) or more of the purposes described in ~~IC 20-5-62-6(4)(B),~~ ~~IC 20-10.1-25,~~ ~~IC 20-10.1-25.3,~~ **IC 20-20-13, IC 20-26-15-6(4)(B),** or IC 21-2-15-4(e).

(b) Money in the fund may not be used to purchase software programs to be used exclusively for administrative purposes, such as payroll and attendance records, personnel records, administration of insurance or pension programs, or any other similar purpose. However, if a particular software program is to be used for administrative purposes and for other purposes described in subsection (a), a portion of the cost of the software program may be paid from the fund. The portion of the cost that may be paid from the fund is the total cost of the software program multiplied by the estimated percentage of use of the software program for nonadministrative purposes.

SECTION 170. IC 21-3-1.6-1.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1.1. As used in this chapter:

(a) "School corporation" means any local public school corporation established under Indiana law. Except as otherwise indicated, the term includes a charter school.

(b) "School year" means a year beginning July 1 and ending the next succeeding June 30.

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(c) "State distribution" due a school corporation means the amount of state funds to be distributed to a school corporation in any calendar year under this chapter.

(d) "Average daily membership" or "ADM" of a school corporation means the number of eligible pupils enrolled in the school corporation or in a transferee corporation on a day to be fixed annually by the Indiana state board of education and, beginning in the school year that ends in the 2005 calendar year, as subsequently adjusted not later than January 30 under the rules adopted by the state board of education. The initial day of the count shall fall within the first thirty (30) days of the school term. If, however, extreme patterns of student in-migration, illness, natural disaster, or other unusual conditions in a particular school corporation's enrollment on either the day fixed by the Indiana state board of education or on the subsequent adjustment date, cause the enrollment to be unrepresentative of the school corporation's enrollment throughout a school year, the Indiana state board of education may designate another day for determining the school corporation's enrollment. The Indiana state board of education shall monitor changes that occur after the fall count, in the number of students enrolled in programs for children with disabilities and shall, before December 2 of that same year and, beginning in the 2004 calendar year, before April 2 of the following calendar year, make an adjusted count of students enrolled in programs for children with disabilities. The superintendent of public instruction shall certify the December adjusted count to the budget committee before February 5 of the following year and the April adjusted count not later than May 31 immediately after the date of the April adjusted count. In determining the ADM, each kindergarten pupil shall be counted as one-half (1/2) pupil. Where a school corporation commences kindergarten in a school year, the ADM of the current and prior calendar years shall be adjusted to reflect the enrollment of the kindergarten pupils. In determining the ADM, each pupil enrolled in a public school and a nonpublic school is to be counted on a full-time equivalency basis as provided in section 1.2 of this chapter.

(e) "Additional count" of a school corporation, or comparable language, means the aggregate of the additional counts of the school corporation for certain pupils as set out in section 3 of this chapter (repealed) and as determined at the times for calculating ADM. "Current additional count" means the initial computed additional count of the school corporation for the school year ending in the calendar year. "Prior year additional count" of a school corporation used in computing its state distribution in a calendar year means the initial

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computed additional count of the school corporation for the school year ending in the preceding calendar year.

(f) For purposes of this subsection, "school corporation" does not include a charter school. "Adjusted assessed valuation" of any school corporation used in computing state distribution for a calendar year means the assessed valuation in the school corporation, adjusted as provided in IC 6-1.1-34. The amount of the valuation shall also be adjusted downward by the department of local government finance to the extent it consists of real or personal property owned by a railroad or other corporation under the jurisdiction of a federal court under the federal bankruptcy laws (11 U.S.C. 101 et seq.) if as a result of the corporation being involved in a bankruptcy proceeding the corporation is delinquent in payment of its Indiana real and personal property taxes for the year to which the valuation applies. If the railroad or other corporation in some subsequent calendar year makes payment of the delinquent taxes, then the state superintendent of public instruction shall prescribe adjustments in the distributions of state funds pursuant to this chapter as are thereafter to become due to a school corporation affected by the delinquency as will ensure that the school corporation will not have been unjustly enriched under the provisions of P.L.382-1987(ss). The amount of the valuation shall also be adjusted downward by the department of local government finance to the extent it consists of real or personal property described in IC 6-1.1-17-0.5(b).

(g) "General fund" means a fund established under IC 21-2-11-2.

(h)"Teacher" means every person who is required as a condition of employment by a school corporation to hold a teacher's license issued or recognized by the state, except substitutes and any person paid entirely from federal funds.

(i) For purposes of this subsection, "school corporation" does not include a charter school. "Teacher ratio" of a school corporation used in computing state distribution in any calendar year means the ratio assigned to the school corporation pursuant to section 2 of this chapter.

(j) "Eligible pupil" means a pupil enrolled in a school corporation if:

(1) the school corporation has the responsibility to educate the pupil in its public schools without the payment of tuition;

(2) subject to subdivision (5), the school corporation has the responsibility to pay transfer tuition under ~~IC 20-8.1-6.1,~~ **IC 20-26-11,** because the pupil is transferred for education to another school corporation (the "transferee corporation");

(3) the pupil is enrolled in a school corporation as a transfer student under ~~IC 20-8.1-6.1-3~~ **IC 20-26-11-6** or entitled to be

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counted for ADM or additional count purposes as a resident of the school corporation when attending its schools under any other applicable law or regulation;

(4) the state is responsible for the payment of transfer tuition to the school corporation for the pupil under ~~IC 20-8.1-6.1;~~ **IC 20-26-11;** or

(5) all of the following apply:

(A) The school corporation is a transferee corporation.

(B) The pupil does not qualify as a qualified pupil in the transferee corporation under subdivision (3) or (4).

(C) The transferee corporation's attendance area includes a state licensed private or public health care facility, child care facility, or foster family home where the pupil was placed:

(i) by or with the consent of the division of family and children;

(ii) by a court order;

(iii) by a child placing agency licensed by the division of family and children; or

(iv) by a parent or guardian under ~~IC 20-8.1-6.1-5.~~ **IC 20-26-11-8.**

For purposes of IC 21-3-12, the term includes a student enrolled in a charter school.

(k) "General fund budget" of a school corporation means the amount of the budget approved for a given year by the department of local government finance and used by the department of local government finance in certifying a school corporation's general fund tax levy and tax rate for the school corporation's general fund as provided for in IC 21-2-11. The term does not apply to a charter school.

(l) "At risk index" means the following:

(1) For a school corporation that is a not a charter school, the sum of:

(A) the product of sixteen-hundredths (0.16) multiplied by the percentage of families in the school corporation with children who are less than eighteen (18) years of age and who have a family income below the federal income poverty level (as defined in IC 12-15-2-1);

(B) the product of four-tenths (0.4) multiplied by the percentage of families in the school corporation with a single parent; and

(C) the product of forty-four hundredths (0.44) multiplied by the percentage of the population in the school corporation who are at least twenty (20) years of age with less than a twelfth

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grade education.

The data to be used in making the calculations under this subdivision must be the data from the 2000 federal decennial census.

(2) For a charter school, the index determined under subdivision (1) for the school corporation in which the charter school is located.

(m) "ADM of the previous year" or "ADM of the prior year" used in computing a state distribution in a calendar year means the initial computed ADM for the school year ending in the preceding calendar year.

(n) "Current ADM" used in computing a state distribution in a calendar year means the initial computed ADM for the school year ending in the calendar year.

SECTION 171. IC 21-3-1.6-1.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1.2. (a) This section applies only to a pupil who:

(1) is enrolled in a public school and a nonpublic school;

(2) has legal settlement in a school corporation; and

(3) receives instructional services from the school corporation.

(b) A pupil described in subsection (a) may be considered in a school corporation's ADM count on a full-time equivalency basis as determined under subsection (c).

(c) For purposes of this section, full-time equivalency is calculated as follows:

STEP ONE: Determine the result of:

(A) the number of days instructional services will be provided to the pupil, not to exceed one hundred eighty (180); divided by

(B) one hundred eighty (180).

STEP TWO: Determine the result of:

(A) the pupil's public school instructional time (as defined in ~~IC 20-10.1-2-1(b)),~~ **IC 20-30-2-1),** rounded to the nearest one-hundredth (0.01); divided by

(B) the actual public school regular instructional day (as defined in ~~IC 20-10.1-2-1(b)),~~ **IC 20-30-2-2),** rounded to the nearest one-hundredth (0.01).

STEP THREE: Determine the result of:

(A) the STEP ONE result; multiplied by

(B) the STEP TWO result.

STEP FOUR: Determine the lesser of one (1) or the result of:

(A) the STEP THREE result; multiplied by

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(B) one and five hundredths (1.05).

(d) If the computation for a pupil under subsection (c) results in a fraction, the fraction must be rounded to the nearest one-hundredth (0.01).

SECTION 172. IC 21-3-1.7-3.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3.1. (a) As used in this chapter, "previous year revenue" for calculations with respect to a school corporation equals:

(1) the school corporation's tuition support for regular programs, including basic tuition support, and excluding:

(A) special education grants;

(B) vocational education grants;

(C) at-risk programs;

(D) the enrollment adjustment grant;

(E) the academic honors diploma award;

(F) the primetime distribution; and

(G) for 2005 and thereafter, the supplemental remediation grant;

for the year that precedes the current year; plus

(2) the school corporation's tuition support levy for the year that precedes the current year before the reductions required under section 5(1) and 5(2) of this chapter; plus

(3) distributions received by the school corporation under IC 6-1.1-21.6 for the year that precedes the current year; plus

(4) the school corporation's excise tax revenue for the year that precedes the current year by two (2) years; minus

(5) an amount equal to the reduction in the school corporation's tuition support under subsection (b) or ~~IC 20-10.1-2-1,~~ **IC 20-30-2,** or both; plus

(6) in calendar year 2003, the amount determined for calendar year 2002 under section 8.2 of this chapter, STEP TWO (C); plus

(7) in calendar year 2004, the amount determined for calendar year 2002 under section 8.2 of this chapter, STEP TWO (D); plus

(8) notwithstanding subdivision (1), in calendar year 2004, the school corporation's distribution under section 9.7 of this chapter for calendar year 2003.

(b) A school corporation's previous year revenue shall be reduced if:

(1) the school corporation's state tuition support for special or vocational education was reduced as a result of a complaint being filed with the department of education after December 31, 1988, because the school program overstated the number of children

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enrolled in special or vocational education programs; and

(2) the school corporation's previous year revenue has not been reduced under this subsection more than one (1) time because of a given overstatement.

The amount of the reduction equals the amount the school corporation would have received in tuition support for special and vocational education because of the overstatement.

(c) A school corporation's previous year revenue shall be reduced if an existing elementary or secondary school located in the school corporation converts to a charter school under ~~IC 20-5.5-11.~~ **IC 20-24-11.** The amount of the reduction equals the product of:

(1) the sum of the amounts distributed to the conversion charter school under ~~IC 20-5.5-7-3.5(c)~~ **IC 20-24-7-3(c)** and ~~IC 20-5.5-7-3.5(d),~~ **IC 20-24-7-3(d);** multiplied by

(2) two (2).

SECTION 173. IC 21-3-3.1-2.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2.1. (a) For each calendar year, the allowable transportation distribution for each school corporation shall be based on the following formula:

(1) The sum of two hundred seventy-five dollars ($275) for 1988, and two hundred eighty dollars ($280) for 1989 and thereafter, less the product of twenty dollars ($20) multiplied by the linear density of the school corporation.

(2) This remainder is then multiplied by the number of the school corporation's eligible pupils.

(3) From this product is subtracted the product of thirteen and sixty-seven hundredths cents ($0.1367) multiplied by each one hundred dollars ($100) of the school corporation's assessed value for taxes first due and payable in the preceding year.

(b) Application of the formula in subsection (a) shall be governed and modified by the following provisions:

(1) In calendar year 1976, and subsequent years, no school corporation that receives funds under this chapter shall receive less money than the school corporation was entitled to receive in calendar year 1975 under IC 21-3-3 (repealed December 31, 1975).

(2) The linear density of the school corporation shall be determined by dividing the total number of eligible pupils by the round trip mileage of all vehicles used by or for the school corporation in transporting pupils.

(3) Eligible pupils are those counted in ADM, enrolled in grades K-12, and transported more than one (1) mile or a preschool child

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who is transported for purposes of attending a special education program under ~~IC 20-1-6-14.1,~~ **IC 20-35-4-9,** regardless of the distance transported.

(4) The round trip mileage of a vehicle shall be the total miles traveled by the vehicle measured from the first point the vehicle picks up an eligible pupil to the last point at which an eligible pupil disembarks at school, multiplied by two (2).

(5) A kindergarten pupil, to the extent the pupil constitutes an eligible pupil, shall be counted as one-half (1/2) an eligible pupil. A preschool pupil attending a special education program under ~~IC 20-1-6-14.1~~ **IC 20-35-4-9** is counted as one (1) eligible pupil.

(6) All the factors, applied in sections 1 and 3 of this chapter for determining the transportation distribution for any school corporation for any calendar year, shall be those existing in the school year ending in the preceding calendar year.

(7) If subsection (a)(3) requires the use of the assessed valuation for a year in which a general reassessment becomes effective, the state shall make an adjustment in the assessed value used to neutralize the effect of the general reassessment. The adjustment applies to all subsequent years before another general reassessment becomes effective.

SECTION 174. IC 21-3-4.5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) For purposes of this section, "debt service" does not include interest on temporary borrowing made in anticipation of the receipt of tax revenues or state tuition support distributions under ~~IC 20-5-4-8.~~ **IC 21-2-21-8.**

(b) Each school corporation shall use the distribution in the following manner:

(1) The school corporation may use for its current operating expenses no more than the greatest total dollars it used for operating expenses from the ADA flat grant distribution account in any of the following calendar years: 1973 through 1993.

(2) The school corporation, if it has debt service, shall use for debt service any remaining amount in the distribution after subtracting any amount used under subdivision (1).

(3) The school corporation may use for the capital projects fund or current operating expense any remaining amount in the distribution after subtracting the amount used under subdivision (2).

(c) The budgets of the various school corporations must reflect the anticipated receipts from the state ADA flat grant distribution account. Appropriations shall be made as other appropriations are made.

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SECTION 175. IC 21-3-11-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. As used in this chapter, "alternative education program" means an alternative education program (as defined in ~~IC 20-10.1-4.6-1.~~ **IC 20-30-8-1).**

SECTION 176. IC 21-3-11-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. As used in this chapter, "eligible student" means an eligible pupil (as defined in IC 21-3-1.6-1.1) who meets the criteria for enrollment in an alternative education program under ~~IC 20-10.1-4.6-6.3.~~ **IC 20-30-8-9.**

SECTION 177. IC 21-3-11-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. As used in this chapter, "qualifying school corporation" means a school corporation that has been approved under ~~IC 20-10.1-4.6-6~~ **IC 20-30-8-8** to receive a grant under this chapter.

SECTION 178. IC 21-5-9-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. The sale price of an existing school building shall be determined under the provisions of IC 21-5-11 or IC 21-5-12 relating to the sale of land to a lessor corporation. Except as provided in this section, neither ~~IC 20-5-5~~ **IC 20-26-7** nor any other law relating to the sale of the property of school corporations or other public property applies to the sale of existing school buildings to lessor corporations pursuant to this chapter.

SECTION 179. IC 21-6.1-4-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) The members of the fund include:

(1) legally qualified and regularly employed teachers in the public schools;

(2) persons employed by a governing body, who were qualified before their election or appointment;

(3) legally qualified and regularly employed teachers at Ball State University, Indiana State University, University of Southern Indiana, or Vincennes University;

(4) legally qualified and regularly employed teachers in a state educational institution supported wholly by public money and whose teachers devote their entire time to teaching;

(5) legally qualified and regularly employed teachers in state benevolent, charitable, or correctional institutions;

(6) legally qualified and regularly employed teachers in an experimental school in a state university who teach elementary or high school students;

(7) as determined by the board, certain instructors serving in a

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university extension division not covered by a state retirement law;

(8) employees and officers of the department of education and of the fund who were qualified before their election or appointment;

(9) a person:

(A) who is employed as a nurse appointed under ~~IC 20-8.1-7-5~~ **IC 20-34-3-6** by a school corporation located in a city having a population of more than ninety thousand (90,000) but less than one hundred five thousand (105,000); and

(B) who participated in the fund before December 31, 1991, in the position described in clause (A); and

(10) persons who are employed by the fund.

(b) Teachers in any state institution who accept the benefits of a state supported retirement benefit system comparable to the fund's benefits may not come under the fund unless permitted by law or the rules of the board.

(c) The members of the fund do not include substitute teachers who have not obtained an associate degree or a baccalaureate degree.

SECTION 180. IC 21-6.1-4-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) Except as provided in IC 21-6.1-4-6.1, a member may be given credit for leaves of absence for study, professional improvement, and temporary disability so long as the leave credit does not exceed one-seventh of the total years of service claimed for retirement, referred to as the one-seventh rule. A member granted a leave in these instances for exchange teaching and for other educational employment approved individually by the board is considered a teacher and is entitled to the benefits of the fund if for or during the leave the member pays into the fund the member's contributions. A leave for other educational employment is not subject to the one-seventh rule.

(b) In each case of a teacher requesting a leave of absence to work in a federally supported educational project, the board must determine that the project is educational in nature and serves state citizens who might otherwise be served by the public schools or public institutions of higher education. The board shall make this determination for a one (1) year period, which is later subject to review and reapproval.

(c) Subject to this chapter, leaves of absence specified in ~~IC 20-6.1-6-1, IC 20-6.1-6-2, or IC 20-6.1-6-3~~ **IC 20-28-10-1, IC 20-28-10-2, IC 20-28-10-3, or IC 20-28-10-4** and adoption leave of not more than one (1) year must be credited to retirement.

(d) Notwithstanding any law, this section must be administered in a manner consistent with the Family and Medical Leave Act of 1993

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(29 U.S.C. 2601 et seq.). A member on a leave of absence that qualifies for the benefits and protections afforded by the Family and Medical Leave Act is entitled to receive credit for vesting and eligibility purposes to the extent required by the Family and Medical Leave Act, but is not entitled to receive credit for service for benefit purposes unless the leave is described in subsection (a), (b), or (c).

SECTION 181. IC 21-6.1-4-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13. (a) After December 31, 1994, creditable service does not accrue under this chapter, IC 5-10.2-3-1, ~~IC 20-6.1-6-1, IC 20-6.1-6-2,~~ **IC 20-28-10-1, IC 20-28-10-2, IC 20-28-10-3,** or any other law concerning the fund for leave for other educational employment unless the creditable service is directly related to a governmental unit under Section 414(d) of the Internal Revenue Code (as defined in IC 5-10.2-1-3.5).

(b) After June 30, 1995, for members receiving credit for leave for other educational employment under section 5 of this chapter or subsection (a), the board shall assess an actuarially determined employer share amount against the appropriate entity to be paid to the state general fund.

SECTION 182. IC 22-3-6-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. In IC 22-3-2 through IC 22-3-6, unless the context otherwise requires:

(a) "Employer" includes the state and any political subdivision, any municipal corporation within the state, any individual or the legal representative of a deceased individual, firm, association, limited liability company, or corporation or the receiver or trustee of the same, using the services of another for pay. A parent corporation and its subsidiaries shall each be considered joint employers of the corporation's, the parent's, or the subsidiaries' employees for purposes of IC 22-3-2-6 and IC 22-3-3-31. Both a lessor and a lessee of employees shall each be considered joint employers of the employees provided by the lessor to the lessee for purposes of IC 22-3-2-6 and IC 22-3-3-31. If the employer is insured, the term includes the employer's insurer so far as applicable. However, the inclusion of an employer's insurer within this definition does not allow an employer's insurer to avoid payment for services rendered to an employee with the approval of the employer. The term also includes an employer that provides on-the-job training under the federal School to Work Opportunities Act (20 U.S.C. 6101 et seq.) to the extent set forth in IC 22-3-2-2.5.

(b) "Employee" means every person, including a minor, in the service of another, under any contract of hire or apprenticeship, written

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or implied, except one whose employment is both casual and not in the usual course of the trade, business, occupation, or profession of the employer.

(1) An executive officer elected or appointed and empowered in accordance with the charter and bylaws of a corporation, other than a municipal corporation or governmental subdivision or a charitable, religious, educational, or other nonprofit corporation, is an employee of the corporation under IC 22-3-2 through IC 22-3-6.

(2) An executive officer of a municipal corporation or other governmental subdivision or of a charitable, religious, educational, or other nonprofit corporation may, notwithstanding any other provision of IC 22-3-2 through IC 22-3-6, be brought within the coverage of its insurance contract by the corporation by specifically including the executive officer in the contract of insurance. The election to bring the executive officer within the coverage shall continue for the period the contract of insurance is in effect, and during this period, the executive officers thus brought within the coverage of the insurance contract are employees of the corporation under IC 22-3-2 through IC 22-3-6.

(3) Any reference to an employee who has been injured, when the employee is dead, also includes the employee's legal representatives, dependents, and other persons to whom compensation may be payable.

(4) An owner of a sole proprietorship may elect to include the owner as an employee under IC 22-3-2 through IC 22-3-6 if the owner is actually engaged in the proprietorship business. If the owner makes this election, the owner must serve upon the owner's insurance carrier and upon the board written notice of the election. No owner of a sole proprietorship may be considered an employee under IC 22-3-2 through IC 22-3-6 until the notice has been received. If the owner of a sole proprietorship is an independent contractor in the construction trades and does not make the election provided under this subdivision, the owner must obtain an affidavit of exemption under IC 22-3-2-14.5.

(5) A partner in a partnership may elect to include the partner as an employee under IC 22-3-2 through IC 22-3-6 if the partner is actually engaged in the partnership business. If a partner makes this election, the partner must serve upon the partner's insurance carrier and upon the board written notice of the election. No partner may be considered an employee under IC 22-3-2 through IC 22-3-6 until the notice has been received. If a partner in a

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partnership is an independent contractor in the construction trades and does not make the election provided under this subdivision, the partner must obtain an affidavit of exemption under IC 22-3-2-14.5.

(6) Real estate professionals are not employees under IC 22-3-2 through IC 22-3-6 if:

(A) they are licensed real estate agents;

(B) substantially all their remuneration is directly related to sales volume and not the number of hours worked; and

(C) they have written agreements with real estate brokers stating that they are not to be treated as employees for tax purposes.

(7) A person is an independent contractor in the construction trades and not an employee under IC 22-3-2 through IC 22-3-6 if the person is an independent contractor under the guidelines of the United States Internal Revenue Service.

(8) An owner-operator that provides a motor vehicle and the services of a driver under a written contract that is subject to IC 8-2.1-24-23, 45 IAC 16-1-13, or 49 CFR 1057, to a motor carrier is not an employee of the motor carrier for purposes of IC 22-3-2 through IC 22-3-6. The owner-operator may elect to be covered and have the owner-operator's drivers covered under a worker's compensation insurance policy or authorized self-insurance that insures the motor carrier if the owner-operator pays the premiums as requested by the motor carrier. An election by an owner-operator under this subdivision does not terminate the independent contractor status of the owner-operator for any purpose other than the purpose of this subdivision.

(9) A member or manager in a limited liability company may elect to include the member or manager as an employee under IC 22-3-2 through IC 22-3-6 if the member or manager is actually engaged in the limited liability company business. If a member or manager makes this election, the member or manager must serve upon the member's or manager's insurance carrier and upon the board written notice of the election. A member or manager may not be considered an employee under IC 22-3-2 through IC 22-3-6 until the notice has been received.

(10) An unpaid participant under the federal School to Work Opportunities Act (20 U.S.C. 6101 et seq.) is an employee to the extent set forth in IC 22-3-2-2.5.

(c) "Minor" means an individual who has not reached seventeen (17) years of age.

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(1) Unless otherwise provided in this subsection, a minor employee shall be considered as being of full age for all purposes of IC 22-3-2 through IC 22-3-6.

(2) If the employee is a minor who, at the time of the accident, is employed, required, suffered, or permitted to work in violation of ~~IC 20-8.1-4-25,~~ **IC 20-33-3-35,** the amount of compensation and death benefits, as provided in IC 22-3-2 through IC 22-3-6, shall be double the amount which would otherwise be recoverable. The insurance carrier shall be liable on its policy for one-half (1/2) of the compensation or benefits that may be payable on account of the injury or death of the minor, and the employer shall be liable for the other one-half (1/2) of the compensation or benefits. If the employee is a minor who is not less than sixteen (16) years of age and who has not reached seventeen (17) years of age and who at the time of the accident is employed, suffered, or permitted to work at any occupation which is not prohibited by law, this subdivision does not apply.

(3) A minor employee who, at the time of the accident, is a student performing services for an employer as part of an approved program under ~~IC 20-10.1-6-7~~ **IC 20-37-2-7** shall be considered a full-time employee for the purpose of computing compensation for permanent impairment under IC 22-3-3-10. The average weekly wages for such a student shall be calculated as provided in subsection (d)(4).

(4) The rights and remedies granted in this subsection to a minor under IC 22-3-2 through IC 22-3-6 on account of personal injury or death by accident shall exclude all rights and remedies of the minor, the minor's parents, or the minor's personal representatives, dependents, or next of kin at common law, statutory or otherwise, on account of the injury or death. This subsection does not apply to minors who have reached seventeen (17) years of age.

(d) "Average weekly wages" means the earnings of the injured employee in the employment in which the employee was working at the time of the injury during the period of fifty-two (52) weeks immediately preceding the date of injury, divided by fifty-two (52), except as follows:

(1) If the injured employee lost seven (7) or more calendar days during this period, although not in the same week, then the earnings for the remainder of the fifty-two (52) weeks shall be divided by the number of weeks and parts thereof remaining after the time lost has been deducted.

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(2) Where the employment prior to the injury extended over a period of less than fifty-two (52) weeks, the method of dividing the earnings during that period by the number of weeks and parts thereof during which the employee earned wages shall be followed, if results just and fair to both parties will be obtained. Where by reason of the shortness of the time during which the employee has been in the employment of the employee's employer or of the casual nature or terms of the employment it is impracticable to compute the average weekly wages, as defined in this subsection, regard shall be had to the average weekly amount which during the fifty-two (52) weeks previous to the injury was being earned by a person in the same grade employed at the same work by the same employer or, if there is no person so employed, by a person in the same grade employed in the same class of employment in the same district.

(3) Wherever allowances of any character made to an employee in lieu of wages are a specified part of the wage contract, they shall be deemed a part of his earnings.

(4) In computing the average weekly wages to be used in calculating an award for permanent impairment under IC 22-3-3-10 for a student employee in an approved training program under ~~IC 20-10.1-6-7,~~ **IC 20-37-2-7,** the following formula shall be used. Calculate the product of:

(A) the student employee's hourly wage rate; multiplied by

(B) forty (40) hours.

The result obtained is the amount of the average weekly wages for the student employee.

(e) "Injury" and "personal injury" mean only injury by accident arising out of and in the course of the employment and do not include a disease in any form except as it results from the injury.

(f) "Billing review service" refers to a person or an entity that reviews a medical service provider's bills or statements for the purpose of determining pecuniary liability. The term includes an employer's worker's compensation insurance carrier if the insurance carrier performs such a review.

(g) "Billing review standard" means the data used by a billing review service to determine pecuniary liability.

(h) "Community" means a geographic service area based on zip code districts defined by the United States Postal Service according to the following groupings:

(1) The geographic service area served by zip codes with the first three (3) digits 463 and 464.

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(2) The geographic service area served by zip codes with the first three (3) digits 465 and 466.

(3) The geographic service area served by zip codes with the first three (3) digits 467 and 468.

(4) The geographic service area served by zip codes with the first three (3) digits 469 and 479.

(5) The geographic service area served by zip codes with the first three (3) digits 460, 461 (except 46107), and 473.

(6) The geographic service area served by the 46107 zip code and zip codes with the first three (3) digits 462.

(7) The geographic service area served by zip codes with the first three (3) digits 470, 471, 472, 474, and 478.

(8) The geographic service area served by zip codes with the first three (3) digits 475, 476, and 477.

(i) "Medical service provider" refers to a person or an entity that provides medical services, treatment, or supplies to an employee under IC 22-3-2 through IC 22-3-6.

(j) "Pecuniary liability" means the responsibility of an employer or the employer's insurance carrier for the payment of the charges for each specific service or product for human medical treatment provided under IC 22-3-2 through IC 22-3-6 in a defined community, equal to or less than the charges made by medical service providers at the eightieth percentile in the same community for like services or products.

SECTION 183. IC 22-3-7-9.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9.2. As used in section 9(c) of this chapter, the term "violation of the child labor laws of this state" means a violation of ~~IC 20-8.1-4-25.~~ **IC 20-33-3-35.** The term does not include a violation of any other provision of ~~IC 20-8.1-4.~~ **IC 20-33-3.**

SECTION 184. IC 22-4-18-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) There is created a department under IC 22-4.1-2-1 which shall be known as the department of workforce development.

(b) The department of workforce development may:

(1) Administer the unemployment insurance program, the Wagner-Peyser program, the Workforce Investment Act, the Job Training Partnership Act program, including a free public labor exchange, and related federal and state employment and training programs as directed by the governor.

(2) Formulate and implement an employment and training plan as required by the Workforce Investment Act (29 U.S.C. 2801 et seq.), the Job Training Partnership Act (29 U.S.C. 1501 et seq.),

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and the Wagner-Peyser Act (29 U.S.C. 49 et seq.).

(3) Coordinate activities with all state agencies and departments that either provide employment and training related services or operate appropriate resources or facilities, to maximize Indiana's efforts to provide employment opportunities for economically disadvantaged individuals, dislocated workers, and others with substantial barriers to employment.

(4) Apply for, receive, disburse, allocate, and account for all funds, grants, gifts, and contributions of money, property, labor, and other things of value from public and private sources, including grants from agencies and instrumentalities of the state and the federal government.

(5) Enter into agreements with the United States government that may be required as a condition of obtaining federal funds related to activities of the department.

(6) Enter into contracts or agreements and cooperate with local governmental units or corporations, including profit or nonprofit corporations, or combinations of units and corporations to carry out the duties of this agency imposed by this chapter, including contracts for the establishment and administration of employment and training offices and the delegation of its administrative, monitoring, and program responsibilities and duties set forth in this article. Before executing contracts described by this subdivision, the department shall give preferential consideration to using departmental personnel for the provision of services through local public employment and training offices. Contracting of Wagner-Peyser services is prohibited where state employees are laid off due to the diversion of Wagner-Peyser funds.

(7) Perform other services and activities that are specified in contracts for payments or reimbursement of the costs made with the Secretary of Labor or with any federal, state, or local public agency or administrative entity under the Workforce Investment Act (29 U.S.C. 2801 et seq.), the Job Training Partnership Act (29 U.S.C. 1501 et seq.), or private nonprofit organization.

(8) Enter into contracts or agreements and cooperate with entities that provide vocational education to carry out the duties imposed by this chapter.

(c) The department of workforce development may not enter into contracts for the delivery of services to claimants or employers under the unemployment insurance program. The payment of unemployment compensation must be made in accordance with 26 U.S.C. 3304.

(d) The department of workforce development may do all acts and

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things necessary or proper to carry out the powers expressly granted under this article, including the adoption of rules under IC 4-22-2.

(e) The department of workforce development may not charge any claimant for benefits for providing services under this article, except as provided in IC 22-4-17-12.

(f) The department of workforce development shall distribute federal funds made available for employment training in accordance with:

(1) 29 U.S.C. 2801 et seq., 29 U.S.C. 1501 et seq., and other applicable federal laws; and

(2) the plan prepared by the department under subsection (g)(1).

However, the Indiana commission on vocational and technical education within the department of workforce development shall distribute federal funds received under 29 U.S.C. 1533.

(g) In addition to the duties prescribed in subsections (a) through (f), the department of workforce development shall do the following:

(1) Implement to the best of its ability its employment training programs (as defined in ~~IC 20-1-18.3-3),~~ **IC 22-4.1-13-3),** the comprehensive vocational education program in Indiana developed under the long range plan under ~~IC 20-1-18.3-10,~~ **IC 22-4.1-13-9,** and the skills 2016 training program established under IC 22-4-10.5.

(2) Upon request of the budget director, prepare a legislative budget request for state and federal funds for employment training. The budget director shall determine the period to be covered by the budget request.

(3) Evaluate its programs according to criteria established by the Indiana commission on vocational and technical education within the department of workforce development under ~~IC 20-1-18.3-13.~~ **IC 22-4.1-13-13.**

(4) Make or cause to be made studies of the needs for various types of programs that are related to employment training and authorized under the Workforce Investment Act and the Job Training Partnership Act.

(5) Distribute state funds made available for employment training that have been appropriated by the general assembly in accordance with:

(A) the general assembly appropriation; and

(B) the plan prepared by the department under subdivision (1).

(6) Establish, implement, and maintain a training program in the nature and dynamics of domestic and family violence for training of all employees of the department who interact with a claimant

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for benefits to determine whether the claim of the individual for unemployment benefits is valid and to determine that employment separations stemming from domestic or family violence are reliably screened, identified, and adjudicated and that victims of domestic or family violence are able to take advantage of the full range of job services provided by the department. The training presenters shall include domestic violence experts with expertise in the delivery of direct services to victims of domestic violence, including using the staff of shelters for battered women in the presentation of the training. The initial training shall consist of instruction of not less than six (6) hours. Refresher training shall be required annually and shall consist of instruction of not less than three (3) hours.

SECTION 185. IC 22-4-18-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. (a) The department shall develop a uniform system for assessing workforce skills strengths and weaknesses in individuals.

(b) The uniform assessment system shall be used at the following:

(1) Workforce development centers under IC 22-4-42 if established.

(2) Ivy Tech State College under IC 20-12-61.

(3) Vocational education (as defined in ~~IC 20-1-18.3-5)~~ **IC 22-4.1-13-5)** programs at the secondary level.

SECTION 186. IC 22-4.1-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. The department is comprised of the following entities reorganized within the department:

(1) The department of employment and training services**,** including the following:

(A) The unemployment insurance board.

(B) The unemployment insurance review board.

(2) The office of workforce literacy established ~~under IC 20-11-6-6.~~ **by IC 22-4.1-10-1.**

(3) The Indiana commission on vocational and technical education established ~~under IC 20-1-18.3.~~ **by IC 22-4.1-13-6.**

(4) The workforce proficiency panel established ~~under IC 20-1-20-2.~~ **by IC 22-4.1-16-2.**

SECTION 187. IC 22-4.1-4-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. The department may undertake duties identified by the commissioner as related to workforce development initiatives that were required of or authorized to be undertaken before July 1, 1994, by:

(1) the department of employment and training services;

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(2) the office of workforce literacy established ~~under IC 20-11-6-6,~~ **by IC 22-4.1-10-1;**

(3) the Indiana commission on vocational and technical education established ~~under IC 20-1-18.3,~~ **by IC 22-4.1-13-6;** or

(4) the workforce proficiency panel established ~~under IC 20-1-20-2.~~ **by IC 22-4.1-16-2.**

SECTION 188. IC 22-9-1-12.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 12.1. (a) As used in this section, the term "state agency" means every office, officer, board, commission, department, division, bureau, committee, fund, agency, and without limitation by reason of any enumeration in this section, every other instrumentality of the state, every hospital, every penal institution, and every other institutional enterprise and activity of the state, wherever located; the universities supported in whole or in part by state funds; and the judicial department of the state. "State agency" does not mean counties, county offices of family and children, cities, towns, townships, school corporations (as defined in ~~IC 20-10.1-1-1,~~ **IC 20-18-2-16),** or other municipal corporations, political subdivisions, or units of local government.

(b) Any city, town, or county is hereby authorized to adopt an ordinance or ordinances, which may include establishment or designation of an appropriate local commission, office, or agency to effectuate within its territorial jurisdiction the public policy of the state as declared in section 2 of this chapter without conflict with any of the provisions of this chapter. Any city or town may adopt such an ordinance or ordinances jointly with any other city or town located in the same county or jointly with that county. A city ordinance that establishes a local commission may provide that the members of the commission are to be appointed solely by the city executive or solely by the city legislative body or may provide for a combination of appointments by the city executive and the city legislative body. The board of commissioners of each county is also authorized to adopt ordinances in accordance with this section. An agency established or designated under this section has no jurisdiction over the state or any of its agencies.

(c) An ordinance adopted under this section may grant to the local agency the power to:

(1) investigate, conciliate, and hear complaints;

(2) subpoena and compel the attendance of witnesses or production of pertinent documents and records;

(3) administer oaths;

(4) examine witnesses;

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(5) appoint hearing examiners or panels;
(6) make findings and recommendations;
(7) issue cease and desist orders or orders requiring remedial action;
(8) order payment of actual damages, except that damages to be paid as a result of discriminatory practices relating to employment shall be limited to lost wages, salaries, commissions, or fringe benefits;
(9) institute actions for appropriate legal or equitable relief in a circuit or superior court;
(10) employ an executive director and other staff personnel;
(11) adopt rules and regulations;
(12) initiate complaints, except that no person who initiates a complaint may participate as a member of the agency in the hearing or disposition of the complaint; and
(13) conduct programs and activities to carry out the public policy of the state, as provided in section 2 of this chapter, within the territorial boundaries of a local agency.

(d) Any person who files a complaint with any local agency may not also file a complaint with the civil rights commission concerning any of the matters alleged in such complaint, and any person who files a complaint with the civil rights commission may not also file a complaint with any local agency concerning any of the matters alleged in such complaint. Any complaint filed with the commission may be transferred by the commission to any local agency having jurisdiction. The local agency shall proceed to act on the complaint as if it had been originally filed with the local agency as of the date that the complaint was filed with the commission. Any complaint filed with a local agency may be transferred by the local agency to the commission if the commission has jurisdiction. The commission shall proceed to act on the complaint as if it had been originally filed with the commission as of the date that the complaint was filed with the local agency. Nothing in this subsection shall affect such person's right to pursue any and all other rights and remedies available in any other state or federal forum.

(e) A decision of the local agency may be appealed under the terms of IC 4-21.5 the same as if it was a decision of a state agency.

SECTION 189. IC 22-12-6-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. (a) This section does not apply to a nonpublic school (as defined in ~~IC 20-10.1-1-3)~~ **IC 20-18-2-12)** or a school operated by a school corporation (as defined in ~~IC 20-6.1-1-5).~~ **IC 20-18-2-16).**

(b) The office of the state fire marshal shall charge an application

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fee set by rules adopted by the commission under IC 4-22-2 for amusement and entertainment permits issued under IC 22-14-3.

(c) The office of the state fire marshal shall collect an inspection fee set by rules adopted by the commission under IC 4-22-2 whenever the office conducts an inspection for a special event endorsement under IC 22-14-3.

(d) Halls, gymnasiums, or places of assembly in which contests, drills, exhibitions, plays, displays, dances, concerts, or other types of amusement are held by colleges, universities, social or fraternal organizations, lodges, farmers organizations, societies, labor unions, trade associations, or churches are exempt from the fees charged or collected under subsections (b) and (c), unless rental fees are charged or collected.

(e) The fees set for applications or inspections under this section must be sufficient to pay all the direct and indirect costs of processing an application or performing an inspection for which the fee is set. In setting the fees, the commission may consider differences in the degree or complexity of the activity being performed for each fee.

SECTION 190. IC 22-14-3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) Except as provided in subsection (c), this chapter does not apply to a nonpublic school (as defined in ~~IC 20-10.1-1-3)~~ **IC 20-18-2-12)** or a school operated by a school corporation (as defined in ~~IC 20-6.1-1-5).~~ **IC 20-18-2-16).**

(b) The office shall carry out an inspection program to periodically inspect regulated places of amusement or entertainment. These inspections shall be conducted at least annually.

(c) A school that holds amusement or entertainment events shall be inspected at least one (1) time each year. The inspection may be performed by either the office or the fire department that has jurisdiction over the school.

(d) At the time of each annual inspection performed by the office of the state fire marshal, the office shall provide a fire safety checklist to each school that holds amusement or entertainment events. Each such school shall be responsible for ensuring compliance with the items on the fire safety checklist for each amusement or entertainment event held at the school.

SECTION 191. IC 25-1-1.2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. As used in this chapter, "board" means an entity that regulates occupations or professions under this title and the professional standards board ~~as~~ established by ~~IC 20-1-1.4.~~ **IC 20-28-2-1.**

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SECTION 192. IC 25-20-1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. The board shall issue a hearing aid dealer certificate of registration to any person who makes application on forms provided by the board if the board has determined to its satisfaction that the applicant:

(1) is eighteen (18) years of age or older;

(2) if the applicant applies after June 29, 1992:

(A) is a high school graduate; or

(B) has a:

(i) high school equivalency certificate; or

(ii) state of Indiana general educational development (GED) diploma issued under ~~IC 20-10.1-12.1,~~ **IC 20-20-6;**

(3) has not been convicted of:

(A) an act which would constitute a ground for disciplinary sanction under IC 25-1-9; or

(B) a crime that has a direct bearing on the applicant's ability to practice competently;

(4) has passed the examination prepared by the committee and given by the board to determine that the applicant has the qualifications to properly fit hearing aids; and

(5) held a student hearing aid dealer certificate of registration issued under section 5 of this chapter at the time the applicant applied for a hearing aid dealer certificate of registration.

SECTION 193. IC 25-20.5-1-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. (a) There is created a six (6) member Indiana hypnotist committee to assist the board in carrying out this chapter regarding the qualifications and examinations of hypnotists. The committee is comprised of:

(1) three (3) hypnotists;

(2) one (1) physician licensed under IC 25-22.5;

(3) one (1) licensed psychologist who has received a health service provider endorsement under IC 25-33-1-5.1; and

(4) one (1) individual who is a resident of Indiana and who is not associated with hypnotism in any way, other than as a consumer.

(b) The governor shall make each appointment for a term of three (3) years. Each hypnotist appointed must:

(1) be a certified hypnotist for at least one (1) year under this chapter;

(2) have at least five hundred (500) supervised classroom hours of hypnotism education from a school that is approved by the Indiana commission on proprietary education under ~~IC 20-1-19~~ **IC 20-12-76** or by any other state that has requirements as

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stringent as required in Indiana;

(3) have at least one (1) year of experience in the actual practice of hypnotism immediately preceding appointment; and

(4) be a resident of Indiana and actively engaged in the practice of hypnotism while a member of the committee.

(c) Not more than three (3) members of the committee may be from the same political party. A member of the committee is not required to be a member of a professional hypnosis association. However, no two (2) hypnotist members appointed to the committee may belong to the same professional hypnosis association.

(d) A member of the committee may be removed for cause by the governor.

(e) The board shall appoint a chairman from among the members of the committee.

SECTION 194. IC 25-20.5-1-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 11. (a) An individual who applies for a certificate as a hypnotist must do the following:

(1) Present satisfactory evidence to the committee that the individual:

(A) does not have a conviction for a crime that has a direct bearing on the individual's ability to practice competently;

(B) has not been the subject of a disciplinary action by a licensing or certification agency of another state or jurisdiction on the grounds that the individual was not able to practice as a hypnotist without endangering the public; and

(C) has at least five hundred (500) classroom hours of hypnotism education from an Indiana school or program of hypnotism that is approved by the Indiana commission on proprietary education (referred to as "the commission" in this clause) under ~~IC 20-1-19~~ **IC 20-12-76** or from any other state approved school or program that is found by the commission to have requirements as stringent as necessary for the commission's approval of an Indiana school or program of hypnotism. A classroom hour may not be less than a fifty (50) minute period of instruction with both the instructor and student in attendance. Classroom instruction does not include video tape correspondence courses or other forms of electronic presentation.

(2) Pay the fee established by the board.

(b) An individual may not enroll in a school or program of hypnotism to satisfy the requirement under subsection (a)(1)(C) unless the individual:

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(1) is at least eighteen (18) years of age; and
(2) has graduated from high school or received a:
(A) high school equivalency certificate; or
(B) state of Indiana general education development (GED) diploma under ~~IC 20-10.1-12.1.~~ **IC 20-20-6.**

SECTION 195. IC 25-20.5-1-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 16. The committee shall issue a certificate to an individual who:
(1) pays a fee;
(2) achieves a passing score, as determined by the committee, on the examination provided under section 15 of this chapter;
(3) has at least:
(A) graduated from high school;
(B) a high school equivalency certificate; or
(C) a state of Indiana general education developmental (GED) diploma under ~~IC 20-10.1-12.1;~~ **IC 20-20-6;** and
(4) is otherwise qualified under this chapter.

SECTION 196. IC 25-33-1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) There is created a board to be known as the "state psychology board". The board shall consist of seven (7) members appointed by the governor. Six (6) of the board members shall be licensed under this article and shall have had at least five (5) years of experience as a professional psychologist prior to their appointment. The seventh member shall be appointed to represent the general public, must be a resident of this state, must never have been credentialed in a mental health profession, and must in no way be associated with the profession of psychology other than as a consumer. All members shall be appointed for a term of three (3) years. All members may serve until their successors are duly appointed and qualified. A vacancy occurring on the board shall be filled by the governor by appointment. The member so appointed shall serve for the unexpired term of the vacating member. Each member of the board is entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). Such a member is also entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the department of administration and approved by the state budget agency.

(b) The members of the board shall organize by the election of a chairman and a vice chairman from among its membership. Such officers shall serve for a term of one (1) year. The board shall meet at least once in each calendar year and on such other occasions as it

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considers necessary and advisable. A meeting of the board may be called by its chairman or by a majority of the members on the board. Four (4) members of the board constitute a quorum. A majority of the quorum may transact business.

(c) The board is empowered to do the following:

(1) Establish reasonable application, examination, and renewal procedures and set fees for licensure under this article. However, no fee collected under this article shall, under any circumstances, be refunded.

(2) Adopt and enforce rules concerning assessment of costs in disciplinary proceedings before the board.

(3) Establish examinations of applicants for licensure under this article and issue, deny, suspend, revoke, and renew licenses.

(4) Subject to IC 25-1-7, investigate and conduct hearings, upon complaint against individuals licensed or not licensed under this article, concerning alleged violation of this article, under procedures conducted in accordance with IC 4-21.5.

(5) Initiate the prosecution and enjoinder of any person violating this article.

(6) Adopt rules which are necessary for the proper performance of its duties, in accordance with IC 4-22-2.

(7) Establish a code of professional conduct.

(d) The board shall adopt rules establishing standards for the competent practice of psychology.

(e) All expenses incurred in the administration of this article shall be paid from the general fund upon appropriation being made in the manner provided by law for the making of such appropriations.

(f) The bureau shall do the following:

(1) Carry out the administrative functions of the board.

(2) Provide necessary personnel to carry out the duties of this article.

(3) Receive and account for all fees required under this article.

(4) Deposit fees collected with the treasurer of the state for deposit in the state general fund.

(g) The board shall adopt rules under IC 4-22-2 to establish, maintain, and update a list of restricted psychology tests and instruments (as defined in section 14(b) of this chapter) containing those psychology tests and instruments that, because of their design or complexity, create a danger to the public by being improperly administered and interpreted by an individual other than:

(1) a psychologist licensed under IC 25-33-1-5.1;

(2) an appropriately trained mental health provider under the

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direct supervision of a health service provider endorsed under IC 25-33-1-5.1(c);

(3) a qualified physician licensed under IC 25-22.5;

(4) a school psychologist who holds a valid:

(A) license issued by the professional standards board under ~~IC 20-1-1.4-2;~~ **IC 20-28-2;** or

(B) endorsement under ~~IC 20-1-1.9;~~ **IC 20-28-12;**

practicing within the scope of the school psychologist's license or endorsement; or

(5) a minister, priest, rabbi, or other member of the clergy providing pastoral counseling or other assistance.

(h) The board shall provide to:

(1) the social work certification and marriage and family therapists credentialing board; and

(2) any other interested party upon receiving the request of the interested party;

a list of the names of tests and instruments proposed for inclusion on the list of restricted psychological tests and instruments under subsection (g) at least sixty (60) days before publishing notice of intent under IC 4-22-2-23 to adopt a rule regarding restricted tests and instruments.

(i) The social work certification and marriage and family therapists credentialing board and any other interested party that receives the list under subsection (h) may offer written comments or objections regarding a test or instrument proposed for inclusion on the list of restricted tests and instruments within sixty (60) days after receiving the list. If:

(1) the comments or objections provide evidence indicating that a proposed test or instrument does not meet the criteria established for restricted tests and instruments, the board may delete that test from the list of restricted tests; and

(2) the board determines that a proposed test or instrument meets the criteria for restriction after reviewing objections to the test or instrument, the board shall respond in writing to justify its decision to include the proposed test or instrument on the list of restricted tests and instruments.

(j) This section may not be interpreted to prevent a licensed or certified health care professional from practicing within the scope of the health care professional's:

(1) license or certification; and

(2) training or credentials.

SECTION 197. IC 25-33-1-14 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 14. (a) This section does not apply to an individual who is:

(1) a member of a teaching faculty, at a public or private institution of higher learning for the purpose of teaching, research, or the exchange or dissemination of information and ideas as an assigned duty of the institution;

(2) a commissioned psychology officer in the regular United States armed services;

(3) licensed by the professional standards board (established by ~~IC 20-1-1.4-2)~~ **IC 20-28-2-1)** as a school psychologist and using the title "school psychologist" or "school psychometrist" as an employee of a school corporation; or

(4) endorsed as an independent practice school psychologist under ~~IC 20-1-1.9.~~ **IC 20-28-12.**

(b) As used in this section, "restricted psychology test or instrument" means a measurement instrument or device used for treatment planning, diagnosing, or classifying intelligence, mental and emotional disorders and disabilities, disorders of personality, or neuropsychological, neurocognitive, or cognitive functioning. The term does not apply to an educational instrument used in a school setting to assess educational progress or an appraisal instrument.

(c) It is unlawful for an individual to:

(1) claim that the individual is a psychologist; or

(2) use any title which uses the word "psychologist", "clinical psychologist", "Indiana endorsed school psychologist" or "psychometrist", or any variant of these words, such as "psychology", or "psychological", or "psychologic";

unless that individual holds a valid license issued under this article or a valid endorsement issued under ~~IC 20-1-1.9.~~ **IC 20-28-12.**

(d) It is unlawful for any individual, regardless of title, to render, or offer to render, psychological services to individuals, organizations, or to the public, unless the individual holds a valid license issued under this article or a valid endorsement issued under ~~IC 20-1-1.9~~ **IC 20-28-12** or is exempted under section 1.1 of this chapter.

(e) It is unlawful for an individual, other than:

(1) a psychologist licensed under IC 25-33-1-5.1;

(2) an appropriately trained mental health provider under the direct supervision of a health service provider endorsed under IC 25-33-1-5.1(c);

(3) a qualified physician licensed under IC 25-22.5;

(4) a school psychologist who holds a valid:

(A) license issued by the professional standards board under

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~~IC 20-1-1.4-2;~~ **IC 20-28-2;** or

(B) endorsement under ~~IC 20-1-1.9;~~ **IC 20-28-12;**

who practices within the scope of the school psychologist's license or endorsement; or

(5) a minister, priest, rabbi, or other member of the clergy providing pastoral counseling or other assistance;

to administer or interpret a restricted psychology test or instrument as established by the board under IC 25-33-1-3(g) in the course of rendering psychological services to individuals, organizations, or to the public.

(f) This section may not be interpreted to prevent a licensed or certified health care professional from practicing within the scope of the health care professional's:

(1) license or certification; and

(2) training or credentials.

SECTION 198. IC 31-9-2-75 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 75. "Legal settlement", for purposes of IC 31-34-20-5, IC 31-34-21-10, IC 31-37-19-26, and IC 31-37-20-6, has the meaning set forth in ~~IC 20-8.1-1-7.1.~~ **IC 20-18-2-11.**

SECTION 199. IC 31-9-2-80 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 80. "Member agency", for purposes of IC 31-38, means:

(1) a county office of family and children;

(2) a school corporation (as defined in ~~IC 20-5-1-3(a));~~ **IC 20-18-2-16);**

(3) a community mental health center (as defined in IC 12-7-2-38); or

(4) a managed care provider (as defined in IC 12-7-2-127(b));

that is represented on a local coordinating committee by a voting member.

SECTION 200. IC 31-9-2-113.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 113.5. "School", for purposes of IC 31-39-2-13.8, means a:

(1) public school (including a charter school as defined in ~~IC 20-5.5-1-4);~~ **IC 20-24-1-4);** or

(2) nonpublic school (as defined in ~~IC 20-10.1-1-3);~~ **IC 20-18-2-12);**

that must comply with the education records privacy provisions of the **federal** Family Educational Rights and Privacy Act (20 U.S.C. 1232g) to be eligible to receive designated federal education funding.

SECTION 201. IC 31-19-8-3 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) The division of family and children shall annually compile a list of:

(1) licensed child placing agencies; and

(2) county offices of family and children;

that conduct the inspection and supervision required for adoption of a child by IC 31-19-7-1 and section 1 of this chapter.

(b) The list of licensed child placing agencies and county offices of family and children must include a description of the following:

(1) Fees charged by each agency and county office of family and children.

(2) Geographic area served by each agency and county office of family and children.

(3) Approximate waiting period for the inspection or supervision by each agency and county office of family and children.

(4) Other relevant information regarding the inspection and supervision provided by an agency or a county office of family and children under IC 31-19-7-1 and section 1 of this chapter.

(c) The division of family and children shall do the following:

(1) Maintain in its office sufficient copies of the list compiled under this section for distribution to individuals who request a copy.

(2) Provide the following persons with sufficient copies of the list prepared under this section for distribution to individuals who request a copy:

(A) Each clerk of a court having probate jurisdiction in a county.

(B) Each county office of family and children.

(3) Provide a copy of the list to each public library organized under ~~IC 20-14.~~ **IC 36-12.**

(d) The division of family and children and each:

(1) county office of family and children;

(2) clerk of a court having probate jurisdiction in a county; and

(3) public library organized under ~~IC 20-14,~~ **IC 36-12;**

shall make the list compiled under this section available for public inspection.

SECTION 202. IC 31-30-1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. A juvenile court has concurrent original jurisdiction in cases involving adults charged with the crime of:

(1) neglect of a dependent (IC 35-46-1-4);

(2) contributing to delinquency (IC 35-46-1-8);

(3) violating the compulsory school attendance law ~~(IC 20-8.1-3),~~

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IC 20-33-2);

(4) criminal confinement of a child (IC 35-42-3-3); or

(5) interference with custody (IC 35-42-3-4).

SECTION 203. IC 31-34-1-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. A child is a child in need of services if before the child becomes eighteen (18) years of age:

(1) the child's parent, guardian, or custodian fails to participate in a disciplinary proceeding in connection with the student's improper behavior, as provided for by ~~IC 20-8.1-5.1-19,~~ **IC 20-33-8-26,** if the behavior of the student has been repeatedly disruptive in the school; and

(2) the child needs care, treatment, or rehabilitation that: ~~the child:~~

(A) **the child** is not receiving; and

(B) is unlikely to be provided or accepted without the coercive intervention of the court.

SECTION 204. IC 31-34-18-1.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1.2. If a child in need of services is known to be eligible for special education services or placement under ~~IC 20-1-6~~ **IC 20-35** and 511 IAC 7, the conference described in section 1.1 of this chapter must include a representative from the child's school.

SECTION 205. IC 31-34-20-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) This section applies if a juvenile court:

(1) places a child;

(2) changes the placement of a child; or

(3) reviews the implementation of a decree under IC 31-34-21 of a child placed;

in a state licensed private or public health care facility, child care facility, or foster family home.

(b) The juvenile court shall do the following:

(1) Make findings of fact concerning the legal settlement of the child.

(2) Apply ~~IC 20-8.1-6.1-1(a)(1)~~ **IC 20-26-11-2(1)** through ~~IC 20-8.1-6.1-1(a)(7)~~ **IC 20-26-11-2(7)** to determine where the child has legal settlement.

(3) Include the findings of fact required by this section in:

(A) the dispositional order;

(B) the modification order; or

(C) the other decree;

making or changing the placement of the child.

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(c) The juvenile court shall comply with the reporting requirements under ~~IC 20-8.1-6.1-5.5~~ **IC 20-26-11-9** concerning the legal settlement of the child.

SECTION 206. IC 31-34-20-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. (a) The juvenile court may emancipate a child under section 1(5) of this chapter if the court finds that the child:

(1) wishes to be free from parental control and protection and no longer needs that control and protection;

(2) has sufficient money for the child's own support;

(3) understands the consequences of being free from parental control and protection; and

(4) has an acceptable plan for independent living.

(b) If the juvenile court partially or completely emancipates the child, the court shall specify the terms of the emancipation, which may include the following:

(1) Suspension of the parent's or guardian's duty to support the child. In this case the judgment of emancipation supersedes the support order of a court.

(2) Suspension of the following:

(A) The parent's or guardian's right to the control or custody of the child.

(B) The parent's right to the child's earnings.

(3) Empowering the child to consent to marriage.

(4) Empowering the child to consent to military enlistment.

(5) Empowering the child to consent to:

(A) medical;

(B) psychological;

(C) psychiatric;

(D) educational; or

(E) social;

services.

(6) Empowering the child to contract.

(7) Empowering the child to own property.

(c) An emancipated child remains subject to the following:

(1) ~~IC 20-8.1-3~~ **IC 20-33-2** concerning compulsory school attendance.

(2) The continuing jurisdiction of the court.

SECTION 207. IC 31-34-21-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. (a) This section applies when a juvenile court reviews the implementation of a decree under this chapter or any other law concerning a child placed in a state

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licensed private or public health care facility, child care facility, or foster family home.

(b) The juvenile court shall review the court's findings under IC 31-34-20-5 and determine whether circumstances have changed the legal settlement of the child.

(c) If the child's legal settlement has changed, the court shall issue an order that modifies the court's findings of fact concerning the legal settlement of the child.

(d) If the court has not previously made findings of fact concerning legal settlement as provided in IC 31-34-20-5, the court shall make the appropriate findings in its order entered under this chapter.

(e) The juvenile court shall comply with the reporting requirements under ~~IC 20-8.1-6.1-5.5~~ **IC 20-26-11-9** concerning the legal settlement of the child.

SECTION 208. IC 31-34-24-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. In preparing the plan, the team shall review and consider existing publicly and privately funded programs that are available or that could be made available in the county to provide supportive services to or for the benefit of children described in section 3 of this chapter without removing the child from the family home, including programs funded through the following:

(1) Title IV-B of the Social Security Act (42 U.S.C. 620 et seq.).

(2) Title IV-E of the Social Security Act (42 U.S.C. 670 et seq.).

(3) Title XX of the Social Security Act (42 U.S.C. 1397 et seq.).

(4) The Child Abuse Prevention and Treatment Act (42 U.S.C. 5106 et seq.).

(5) Community corrections programs under IC 11-12.

(6) Special education programs under ~~IC 20-1-6-19.~~ **IC 20-35-6-2.**

(7) All programs designed to prevent child abuse, neglect, or delinquency, or to enhance child welfare and family preservation administered by, or through funding provided by, the division of family and children, county offices, prosecutors, or juvenile courts, including programs funded under IC 12-19-7 and IC 31-40.

(8) Probation user's fees under IC 31-40-2-1.

(9) Child advocacy fund under IC 12-17-17.

SECTION 209. IC 31-37-2-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. A child commits a delinquent act if, before becoming eighteen (18) years of age, the child violates ~~IC 20-8.1-3~~ **IC 20-33-2** concerning compulsory school

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attendance.

SECTION 210. IC 31-37-17-1.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1.2. If a delinquent child is known to be eligible for special education services or placement under ~~IC 20-1-6~~ **IC 20-35-2** and 511 IAC 7, the conference described in section 1.1 of this chapter must include a representative from the child's school.

SECTION 211. IC 31-37-19-26 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 26. (a) This section applies if a juvenile court:

(1) places a child;

(2) changes the placement of a child; or

(3) reviews the implementation of a decree under IC 31-37-20 (or IC 31-6-4-19 before its repeal) of a child placed;

in a state licensed private or public health care facility, child care facility, or foster family home.

(b) The juvenile court shall do the following:

(1) Make findings of fact concerning the legal settlement of the child.

(2) Apply ~~IC 20-8.1-6.1-1(a)(1)~~ **IC 20-26-11-2(1)** through ~~IC 20-8.1-6.1-1(a)(7)~~ **IC 20-26-11-2(7)** to determine where the child has legal settlement.

(3) Include the findings of fact required by this section in the:

(A) dispositional order;

(B) modification order; or

(C) other decree;

making or changing the placement of the child.

(c) The juvenile court shall comply with the reporting requirements under ~~IC 20-8.1-6.1-5.5~~ **IC 20-26-11-9** concerning the legal settlement of the child.

SECTION 212. IC 31-37-19-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 27. (a) The juvenile court may emancipate a child under section 1(5) or 5(b)(5) of this chapter if the court finds that the child:

(1) wishes to be free from parental control and protection and no longer needs that control and protection;

(2) has sufficient money for the child's own support;

(3) understands the consequences of being free from parental control and protection; and

(4) has an acceptable plan for independent living.

(b) Whenever the juvenile court partially or completely emancipates the child, the court shall specify the terms of the emancipation, which

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may include the following:

(1) Suspension of the parent's or guardian's duty to support the child. In this case the judgment of emancipation supersedes the support order of a court.

(2) Suspension of:

(A) the parent's or guardian's right to the control or custody of the child; and

(B) the parent's right to the child's earnings.

(3) Empowering the child to consent to marriage.

(4) Empowering the child to consent to military enlistment.

(5) Empowering the child to consent to:

(A) medical;

(B) psychological;

(C) psychiatric;

(D) educational; or

(E) social;

services.

(6) Empowering the child to contract.

(7) Empowering the child to own property.

(c) An emancipated child remains subject to:

(1) ~~IC 20-8.1-3~~ **IC 20-33-2** concerning compulsory school attendance; and

(2) the continuing jurisdiction of the court.

SECTION 213. IC 31-37-20-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. (a) This section applies if a juvenile court reviews the implementation of a decree under this chapter (or IC 31-6-4-19 before its repeal) or any other law concerning a child placed in a state licensed private or public health care facility, child care facility, or foster family home.

(b) The juvenile court shall review the court's findings under IC 31-37-19-26 (or IC 31-6-4-18.5(b) before its repeal) and determine whether circumstances have changed the legal settlement of the child.

(c) If the child's legal settlement has changed, the court shall issue an order that modifies the court's findings of fact concerning the legal settlement of the child.

(d) If the court has not previously made findings of fact concerning legal settlement as provided in IC 31-37-19-26 the court shall make the appropriate findings in the court's order entered under this chapter.

(e) The juvenile court shall comply with the reporting requirements under ~~IC 20-8.1-6.1-5.5~~ **IC 20-26-11-9** concerning the legal settlement of the child.

SECTION 214. IC 31-37-22-6 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. If:

(1) a child fails to comply with ~~IC 20-8.1-3~~ **IC 20-33-2** concerning compulsory school attendance as part of a court order with respect to a delinquent act under IC 31-37-2-3 (or IC 31-6-4-1(a)(3) before its repeal);

(2) the child received a written warning of the consequences of a violation of the court order;

(3) the issuance of the warning was reflected in the records of the hearing;

(4) the child is not held in a juvenile detention facility for more than twenty-four (24) hours, excluding Saturdays, Sundays, and legal holidays, before the hearing at which it is determined that the child violated that part of the order concerning the child's school attendance; and

(5) the child's mental and physical condition may be endangered if the child is not placed in a secure facility;

the juvenile court may modify its disposition order with respect to the delinquent act and place the child in a public or private facility for children under section 7 of this chapter.

SECTION 215. IC 31-37-24-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. In preparing the plan, the team shall review and consider existing publicly and privately funded programs that are available or that could be made available in the county to provide supportive services to or for the benefit of children described in section 3 of this chapter without removing the child from the family home, including programs funded through the following:

(1) Title IV-B of the Social Security Act (42 U.S.C. 620 et seq.).

(2) Title IV-E of the Social Security Act (42 U.S.C. 670 et seq.).

(3) Title XX of the Social Security Act (42 U.S.C. 1397 et seq.).

(4) The Child Abuse Prevention and Treatment Act (42 U.S.C. 5106 et seq.).

(5) Community corrections programs under IC 11-12.

(6) Special education programs under ~~IC 20-1-6-19.~~ **IC 20-35-6-2.**

(7) All programs designed to prevent child abuse, neglect, or delinquency, or to enhance child welfare and family preservation administered by, or through funding provided by, the division of family and children, county offices, prosecutors, or juvenile courts, including programs funded under IC 12-19-7 and IC 31-40.

(8) Probation user's fees under IC 31-40-2-1.

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(9) The child advocacy fund under IC 12-17-17.

SECTION 216. IC 33-28-4-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. (a) A person shall be excused from acting as a juror if the person:

(1) is at least sixty-five (65) years of age;

(2) is a member in active service of the armed forces of the United States;

(3) is an elected or appointed official of the executive, legislative, or judicial branches of government of:

(A) the United States;

(B) Indiana; or

(C) a unit of local government;

who is actively engaged in the performance of the person's official duties;

(4) is a member of the general assembly who makes the request to be excused before being sworn as a juror;

(5) is an honorary military staff officer appointed by the governor under IC 10-16-2-5;

(6) is an officer or enlisted person of the guard reserve forces authorized by the governor under IC 10-16-8;

(7) is a veterinarian licensed under IC 15-5-1.1;

(8) is serving as a member of the board of school commissioners of the city of Indianapolis under ~~IC 20-3-11-2,~~ **IC 20-25-3-3;**

(9) is a dentist licensed under IC 25-14-1;

(10) is a member of a police or fire department or company under IC 36-8-3 or IC 36-8-12; or

(11) would serve as a juror during a criminal trial and the person is:

(A) an employee of the department of correction whose duties require contact with inmates confined in a department of correction facility; or

(B) the spouse or child of a person described in clause (A);

and desires to be excused for that reason.

(b) A prospective juror is disqualified to serve on a jury if any of the following conditions exist:

(1) The person is not a citizen of the United States, at least eighteen (18) years of age, and a resident of the county.

(2) The person is unable to read, speak, and understand the English language with a degree of proficiency sufficient to fill out satisfactorily a juror qualification form.

(3) The person is incapable of rendering satisfactory jury service due to physical or mental disability. However, a person claiming

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this disqualification may be required to submit a physician's or authorized Christian Science practitioner's certificate confirming the disability, and the certifying physician or practitioner is then subject to inquiry by the court at the court's discretion.

(4) The person is under a sentence imposed for an offense.

(5) A guardian has been appointed for the person under IC 29-3 because the person has a mental incapacity.

(6) The person has had rights revoked by reason of a felony conviction and the rights have not been restored.

(c) A person may not serve as a petit juror in any county if the person served as a petit juror in the same county within the previous three hundred sixty-five (365) days. The fact that a person's selection as a juror would violate this subsection is sufficient cause for challenge.

(d) A grand jury, a petit jury, or an individual juror drawn for service in one (1) court may serve in another court of the county, in accordance with orders entered on the record in each of the courts.

(e) The same petit jurors may be used in civil cases and in criminal cases.

(f) A person may not be excluded from jury service on account of race, color, religion, sex, national origin, or economic status.

(g) Notwithstanding IC 35-47-2, IC 35-47-2.5, or the restoration of the right to serve on a jury under this section and except as provided in subsections ~~(c), (d),~~ **(h), (i),** and (l), a person who has been convicted of a crime of domestic violence (as defined in IC 35-41-1-6.3) may not possess a firearm:

(1) after the person is no longer under a sentence imposed for an offense; or

(2) after the person has had the person's rights restored following a conviction.

(h) Not earlier than five (5) years after the date of conviction, a person who has been convicted of a crime of domestic violence (as defined in IC 35-41-1-6.3) may petition the court for restoration of the person's right to possess a firearm. In determining whether to restore the person's right to possess a firearm, the court shall consider the following factors:

(1) Whether the person has been subject to:

(A) a protective order;

(B) a no contact order;

(C) a workplace violence restraining order; or

(D) any other court order that prohibits the person from possessing a firearm.

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(2) Whether the person has successfully completed a substance abuse program, if applicable.

(3) Whether the person has successfully completed a parenting class, if applicable.

(4) Whether the person still presents a threat to the victim of the crime.

(5) Whether there is any other reason why the person should not possess a firearm, including whether the person failed to complete a specified condition under subsection (i) or whether the person has committed a subsequent offense.

(i) The court may condition the restoration of a person's right to possess a firearm upon the person's completion of specified conditions.

(j) If the court denies a petition for restoration of the right to possess a firearm, the person may not file a second or subsequent petition until one (1) year has elapsed.

(k) A person has not been convicted of a crime of domestic violence for purposes of subsection (h) if the conviction has been expunged or if the person has been pardoned.

(l) The right to possess a firearm shall be restored to a person whose conviction is reversed on appeal or on post-conviction review at the earlier of the following:

(1) At the time the prosecuting attorney states on the record that the charges that gave rise to the conviction will not be refiled.

(2) Ninety (90) days after the final disposition of the appeal or the post-conviction proceeding.

SECTION 217. IC 33-33-53-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. In accordance with rules adopted by the judges of the court under section 6 of this chapter, the presiding judge shall do the following:

(1) Ensure that the court operates efficiently and judicially under rules adopted by the court.

(2) Annually submit to the fiscal body of Monroe County a budget for the court, including amounts necessary for:

(A) the operation of the circuit's probation department;

(B) the defense of indigents; and

(C) maintaining an adequate law library.

(3) Make the appointments or selections required of a circuit or superior court judge under the following statutes:

IC 8-4-21-2

IC 11-12-2-2

IC 16-22-2-4

IC 16-22-2-11

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IC 16-22-7
~~IC 20-4-1~~
IC 20-23-4
~~IC 20-4-8~~
IC 20-23-16-19
IC 20-23-16-21
IC 20-23-7-6
IC 20-23-7-8
~~IC 20-4-15-2~~
~~IC 20-5-20-4~~
~~IC 20-5-23-1~~
~~IC 20-14-10-10~~
IC 20-23-16-30
IC 20-26-7-8
IC 20-26-7-13
IC 36-12-10-10
IC 21-5-11-8
IC 21-5-12-8
IC 36-9
IC 36-10.

(4) Make appointments or selections required of a circuit or superior court judge by any other statute, if the appointment or selection is not required of the court because of an action before the court.

SECTION 218. IC 34-13-3-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. A governmental entity or an employee acting within the scope of the employee's employment is not liable if a loss results from the following:

(1) The natural condition of unimproved property.

(2) The condition of a reservoir, dam, canal, conduit, drain, or similar structure when used by a person for a purpose that is not foreseeable.

(3) The temporary condition of a public thoroughfare or extreme sport area that results from weather.

(4) The condition of an unpaved road, trail, or footpath, the purpose of which is to provide access to a recreation or scenic area.

(5) The design, construction, control, operation, or normal condition of an extreme sport area, if all entrances to the extreme sport area are marked with:

(A) a set of rules governing the use of the extreme sport area;

(B) a warning concerning the hazards and dangers associated

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with the use of the extreme sport area; and

(C) a statement that the extreme sport area may be used only by persons operating extreme sport equipment.

This subdivision shall not be construed to relieve a governmental entity from liability for the continuing duty to maintain extreme sports areas in a reasonably safe condition.

(6) The initiation of a judicial or an administrative proceeding.

(7) The performance of a discretionary function; however, the provision of medical or optical care as provided in IC 34-6-2-38 shall be considered as a ministerial act.

(8) The adoption and enforcement of or failure to adopt or enforce a law (including rules and regulations), unless the act of enforcement constitutes false arrest or false imprisonment.

(9) An act or omission performed in good faith and without malice under the apparent authority of a statute which is invalid if the employee would not have been liable had the statute been valid.

(10) The act or omission of anyone other than the governmental entity or the governmental entity's employee.

(11) The issuance, denial, suspension, or revocation of, or failure or refusal to issue, deny, suspend, or revoke any permit, license, certificate, approval, order, or similar authorization, where the authority is discretionary under the law.

(12) Failure to make an inspection, or making an inadequate or negligent inspection, of any property, other than the property of a governmental entity, to determine whether the property complied with or violates any law or contains a hazard to health or safety.

(13) Entry upon any property where the entry is expressly or impliedly authorized by law.

(14) Misrepresentation if unintentional.

(15) Theft by another person of money in the employee's official custody, unless the loss was sustained because of the employee's own negligent or wrongful act or omission.

(16) Injury to the property of a person under the jurisdiction and control of the department of correction if the person has not exhausted the administrative remedies and procedures provided by section 7 of this chapter.

(17) Injury to the person or property of a person under supervision of a governmental entity and who is:

(A) on probation; or

(B) assigned to an alcohol and drug services program under

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IC 12-23, a minimum security release program under IC 11-10-8, a pretrial conditional release program under IC 35-33-8, or a community corrections program under IC 11-12.

(18) Design of a highway (as defined in IC 9-13-2-73) if the claimed loss occurs at least twenty (20) years after the public highway was designed or substantially redesigned; except that this subdivision shall not be construed to relieve a responsible governmental entity from the continuing duty to provide and maintain public highways in a reasonably safe condition.

(19) Development, adoption, implementation, operation, maintenance, or use of an enhanced emergency communication system.

(20) Injury to a student or a student's property by an employee of a school corporation if the employee is acting reasonably under a discipline policy adopted under ~~IC 20-8.1-5.1-7(b).~~ **IC 20-33-8-7(b).**

(21) An error resulting from or caused by a failure to recognize the year 1999, 2000, or a subsequent year, including an incorrect date or incorrect mechanical or electronic interpretation of a date, that is produced, calculated, or generated by:

(A) a computer;

(B) an information system; or

(C) equipment using microchips;

that is owned or operated by a governmental entity. However, this subdivision does not apply to acts or omissions amounting to gross negligence, willful or wanton misconduct, or intentional misconduct. For purposes of this subdivision, evidence of gross negligence may be established by a party by showing failure of a governmental entity to undertake an effort to review, analyze, remediate, and test its electronic information systems or by showing failure of a governmental entity to abate, upon notice, an electronic information system error that caused damage or loss. However, this subdivision expires June 30, 2003.

(22) An act or omission performed in good faith under the apparent authority of a court order described in IC 35-46-1-15.1 that is invalid, including an arrest or imprisonment related to the enforcement of the court order, if the governmental entity or employee would not have been liable had the court order been valid.

SECTION 219. IC 34-30-2-85 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 85. ~~IC 20-8.1-12-5~~

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IC 20-33-9-8 (Concerning a person who reports or supervises a person who reports a violation of alcoholic beverage or controlled substance laws on school property).

SECTION 220. IC 34-30-2-85.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 85.1. ~~IC 20-8.1-12.5-7~~ **IC 20-33-9-14** (Concerning a person who reports or causes a report to be made of a threat against, or intimidation of, a school employee).

SECTION 221. IC 34-30-2-85.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 85.2. ~~IC 20-8.1-13-3~~ **IC 20-33-2-47(d)** (Concerning attendance officer or officer's designee for failure to contact a parent or guardian regarding a student's absences).

SECTION 222. IC 34-30-2-85.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 85.5. ~~IC 20-10.1-22.4-3~~ **IC 20-33-7-3** (Concerning the disclosure or reporting of education records of a child).

SECTION 223. IC 34-30-14-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. A school or school board is not liable for civil damages as a result of a student's self-administration of medication for an acute or chronic disease or medical condition as provided under ~~IC 20-8.1-5.1-7.5~~ **IC 20-33-8-13** except for an act or omission amounting to gross negligence or willful and wanton misconduct.

SECTION 224. IC 34-46-2-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 12. ~~IC 20-1-1.9-6~~ **IC 20-28-12-5** (Concerning information school psychologist acquires in professional capacity).

SECTION 225. IC 34-46-2-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13. ~~IC 20-6.1-6-15~~ **IC 20-28-10-17** (Concerning communications made to a school counselor).

SECTION 226. IC 34-46-2-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 14. ~~IC 20-8.1-12-2~~ **IC 20-33-9-5** and ~~IC 20-8.1-12-4~~ **IC 20-33-9-7** (Concerning reports of elementary and secondary school students suspected of alcohol and controlled substance violations).

SECTION 227. IC 35-41-1-24.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 24.7. "School property" means the following:

(1) A building or other structure owned or rented by:

(A) a school corporation;

(B) an entity that is required to be licensed under IC 12-17.2

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or IC 12-17.4;

(C) a private school ~~(as defined in IC 20-9.1-1-3);~~ **that is not supported and maintained by funds realized from the imposition of a tax on property, income, or sales;** or

(D) a federal, state, local, or nonprofit program or service operated to serve, assist, or otherwise benefit children who are at least three (3) years of age and not yet enrolled in kindergarten, including the following:

(i) A Head Start program under 42 U.S.C. 9831 et seq.

(ii) A special education preschool program.

(iii) A developmental child care program for preschool children.

(2) The grounds adjacent to and owned or rented in common with a building or other structure described in subdivision (1).

SECTION 228. IC 35-42-4-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. (a) As used in this section, "adoptive parent" has the meaning set forth in IC 31-9-2-6.

(b) As used in this section, "adoptive grandparent" means the parent of an adoptive parent.

(c) As used in this section, "child care worker" means a person who:

(1) provides care, supervision, or instruction to a child within the scope of the person's employment in a shelter care facility; or

(2) is employed by a:

(A) school corporation; or

(B) nonpublic school;

attended by a child who is the victim of a crime under this chapter.

(d) As used in this section, "custodian" means any person who resides with a child and is responsible for the child's welfare.

(e) As used in this section, "nonpublic school" has the meaning set forth in ~~IC 20-10.1-1-3.~~ **IC 20-18-2-12.**

(f) As used in this section, "school corporation" has the meaning set forth in ~~IC 20-10.1-1-1.~~ **IC 20-18-2-16.**

(g) As used in this section, "stepparent" means an individual who is married to a child's custodial or noncustodial parent and is not the child's adoptive parent.

(h) If a person who is:

(1) at least eighteen (18) years of age; and

(2) the:

(A) guardian, adoptive parent, adoptive grandparent, custodian, or stepparent of; or

(B) child care worker for;

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a child at least sixteen (16) years of age but less than eighteen (18) years of age;

engages with the child in sexual intercourse, deviate sexual conduct (as defined in IC 35-41-1-9), or any fondling or touching with the intent to arouse or satisfy the sexual desires of either the child or the adult, the person commits child seduction, a Class D felony.

SECTION 229. IC 35-50-6-3.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3.3. (a) In addition to any credit time a person earns under subsection (b) or section 3 of this chapter, a person earns credit time if the person:

(1) is in credit Class I;

(2) has demonstrated a pattern consistent with rehabilitation; and

(3) successfully completes requirements to obtain one (1) of the following:

(A) A general educational development (GED) diploma under ~~IC 20-10.1-12.1,~~ **IC 20-20-6,** if the person has not previously obtained a high school diploma.

(B) A high school diploma.

(C) An associate's degree from an approved institution of higher learning (as defined under IC 20-12-21-3).

(D) A bachelor's degree from an approved institution of higher learning (as defined under IC 20-12-21-3).

(b) In addition to any credit time that a person earns under subsection (a) or section 3 of this chapter, a person may earn credit time if, while confined by the department of correction, the person:

(1) is in credit Class I;

(2) demonstrates a pattern consistent with rehabilitation; and

(3) successfully completes requirements to obtain at least one (1) of the following:

(A) A certificate of completion of a vocational education program approved by the department of correction.

(B) A certificate of completion of a substance abuse program approved by the department of correction.

(C) A certificate of completion of a literacy and basic life skills program approved by the department of correction.

(c) The department of correction shall establish admissions criteria and other requirements for programs available for earning credit time under subsection (b). A person may not earn credit time under both subsections (a) and (b) for the same program of study.

(d) The amount of credit time a person may earn under this section is the following:

(1) Six (6) months for completion of a state of Indiana general

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educational development (GED) diploma under ~~IC 20-10.1-12.1.~~ **IC 20-20-6.**

(2) One (1) year for graduation from high school.

(3) One (1) year for completion of an associate's degree.

(4) Two (2) years for completion of a bachelor's degree.

(5) Not more than a total of six (6) months of credit, as determined by the department of correction, for the completion of one (1) or more vocational education programs approved by the department of correction.

(6) Not more than a total of six (6) months of credit, as determined by the department of correction, for the completion of one (1) or more substance abuse programs approved by the department of correction.

(7) Not more than a total of six (6) months credit, as determined by the department of correction, for the completion of one (1) or more literacy and basic life skills programs approved by the department of correction.

However, a person who does not have a substance abuse problem that qualifies the person to earn credit in a substance abuse program may earn not more than a total of twelve (12) months of credit, as determined by the department of correction, for the completion of one (1) or more vocational education programs approved by the department of correction. If a person earns more than six (6) months of credit for the completion of one (1) or more vocational education programs, the person is ineligible to earn credit for the completion of one (1) or more substance abuse programs.

(e) Credit time earned by a person under this section is subtracted from the release date that would otherwise apply to the person after subtracting all other credit time earned by the person.

(f) A person does not earn credit time under subsection (a) unless the person completes at least a portion of the degree requirements after June 30, 1993.

(g) A person does not earn credit time under subsection (b) unless the person completes at least a portion of the program requirements after June 30, 1999.

(h) Credit time earned by a person under subsection (a) for a diploma or degree completed before July 1, 1999, shall be subtracted from:

(1) the release date that would otherwise apply to the person after subtracting all other credit time earned by the person, if the person has not been convicted of an offense described in subdivision (2); or

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(2) the period of imprisonment imposed on the person by the sentencing court, if the person has been convicted of one (1) of the following crimes:

(A) Rape (IC 35-42-4-1).

(B) Criminal deviate conduct (IC 35-42-4-2).

(C) Child molesting (IC 35-42-4-3).

(D) Child exploitation (IC 35-42-4-4(b)).

(E) Vicarious sexual gratification (IC 35-42-4-5).

(F) Child solicitation (IC 35-42-4-6).

(G) Child seduction (IC 35-42-4-7).

(H) Sexual misconduct with a minor as a Class A felony, Class B felony, or Class C felony (IC 35-42-4-9).

(I) Incest (IC 35-46-1-3).

(J) Sexual battery (IC 35-42-4-8).

(K) Kidnapping (IC 35-42-3-2), if the victim is less than eighteen (18) years of age.

(L) Criminal confinement (IC 35-42-3-3), if the victim is less than eighteen (18) years of age.

(M) An attempt or a conspiracy to commit a crime listed in clauses (A) through (L).

(i) The maximum amount of credit time a person may earn under this section is the lesser of:

(1) four (4) years; or

(2) one-third (1/3) of the person's total applicable credit time.

(j) The amount of credit time earned under this section is reduced to the extent that application of the credit time would otherwise result in:

(1) postconviction release (as defined in IC 35-40-4-6); or

(2) assignment of the person to a community transition program;

in less than forty-five (45) days after the person earns the credit time.

(k) A person may earn credit time for multiple degrees at the same education level under subsection (d) only in accordance with guidelines approved by the department of correction. The department of correction may approve guidelines for proper sequence of education degrees under subsection (d).

SECTION 230. IC 36-1-7-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13. Whenever an agreement authorized by this chapter is between school corporations, teachers employed under the agreement have the same rights and privileges as teachers employed under ~~IC 20-5-11-3.5, IC 20-5-11-3.6,~~ **IC 20-26-10-5, IC 20-26-10-6,** and ~~IC 20-5-11-3.7.~~ **IC 20-26-10-7.**

SECTION 231. IC 36-1-8-10.5 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10.5. (a) This section does not apply to the following:

(1) An elected or appointed officer.

(2) An individual described in ~~IC 20-5-3-11.~~ **IC 20-26-4-11.**

(b) An employee of a political subdivision may:

(1) be a candidate for any elected office and serve in that office if elected; or

(2) be appointed to any office and serve in that office if appointed;

without having to resign as an employee of the political subdivision.

SECTION 232. IC 36-1-10-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) Except as provided in subsection (b), this chapter applies to:

(1) political subdivisions and agencies of political subdivisions that determine to acquire structures, transportation projects, or systems by lease or lease-purchase;

(2) a convention and visitor bureau established under IC 6-9-2 that determines to acquire a visitor center by lease or lease purchase; and

(3) a convention and visitor commission established by IC 6-9-11 that determines to acquire a sports and recreation facility by lease or lease purchase.

(b) This chapter does not apply to:

(1) the lease of library buildings under ~~IC 20-14-10,~~ **IC 36-12-10,** unless the library board of the public library adopts a resolution to proceed under this chapter instead of ~~IC 20-14-10,~~ **IC 36-12-10;**

(2) the lease of school buildings under IC 21-5;

(3) county hospitals organized or operating under IC 16-22-1 through IC 16-22-5;

(4) municipal hospitals organized or operating under IC 16-23-1; or

(5) boards of aviation commissioners established under IC 8-22-2.

SECTION 233. IC 36-1-10.5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) Except as provided in subsection (b), this chapter applies to:

(1) political subdivisions; and

(2) their agencies.

(b) This chapter does not apply to the purchase of:

(1) real property having a total price (including land and structures, if any) of twenty-five thousand dollars ($25,000) or less;

(2) airport land or structures under IC 8-22;

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(3) library land or structures under ~~IC 20-14,~~ **IC 36-12;**

(4) school land or structures under IC 21-5;

(5) hospital land or structures by hospitals organized or operated under IC 16-22-1 through IC 16-22-5 or IC 16-23-1;

(6) land or structures acquired for a road or street right-of-way for a federal-aid project funded in any part under 23 U.S.C. 101 et seq.;

(7) land or structures by redevelopment commissions under IC 36-7-14 or IC 36-7-15.1, or redevelopment authorities under IC 36-7-14.5; or

(8) land by a municipally owned water utility, if:

(A) the municipally owned water utility has performed or contracted with another party to perform sampling and drilling tests of the land; and

(B) the sampling and drilling tests indicate the land has water resources.

SECTION 234. IC 36-1-11-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) Except as provided in subsection (b), this chapter applies to the disposal of property by:

(1) political subdivisions; and

(2) their agencies.

(b) This chapter does not apply to the following:

(1) The disposal of property under an urban homesteading program under IC 36-7-17.

(2) The lease of school buildings under IC 21-5.

(3) The sale of land to a lessor in a lease-purchase contract under IC 36-1-10.

(4) The disposal of property by a redevelopment commission established under IC 36-7.

(5) The leasing of property by a board of aviation commissioners established under IC 8-22-2 or an airport authority established under IC 8-22-3.

(6) The disposal of a municipally owned utility under IC 8-1.5.

(7) The sale or lease of property by a unit to an Indiana nonprofit corporation organized for educational, literary, scientific, religious, or charitable purposes that is exempt from federal income taxation under Section 501 of the Internal Revenue Code or the sale or reletting of that property by the nonprofit corporation.

(8) The disposal of property by a hospital organized or operating under IC 16-22-1 through IC 16-22-5, IC 16-23-1, or IC 16-24-1.

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(9) The sale or lease of property acquired under IC 36-7-13 for industrial development.
(10) The sale, lease, or disposal of property by a local hospital authority under IC 5-1-4.
(11) The sale or other disposition of property by a county or municipality to finance housing under IC 5-20-2.
(12) The disposition of property by a soil and water conservation district under IC 14-32.
(13) The sale of surplus or unneeded property by the board of trustees of the health and hospital corporation under IC 16-22-8.
(14) The disposal of personal property by a library board under ~~IC 20-14-3-4(c).~~ **IC 36-12-3-5(c).**
(15) The sale or disposal of property by the historic preservation commission under IC 36-7-11.1.
(16) The disposal of an interest in property by a housing authority under IC 36-7-18.
(17) The disposal of property under IC 36-9-37-26.
(18) The disposal of property used for park purposes under IC 36-10-7-8.
(19) The disposal of textbooks that will no longer be used by school corporations under ~~IC 20-10.1-10.~~ **IC 20-26-12.**
(20) The disposal of residential structures or improvements by a municipal corporation without consideration to:
(A) a governmental entity; or
(B) a nonprofit corporation that is organized to expand the supply or sustain the existing supply of good quality, affordable housing for residents of Indiana having low or moderate incomes.
(21) The disposal of historic property without consideration to a nonprofit corporation whose charter or articles of incorporation allows the corporation to take action for the preservation of historic property. As used in this subdivision, "historic property" means property that is:
(A) listed on the National Register of Historic Places; or
(B) eligible for listing on the National Register of Historic Places, as determined by the division of historic preservation and archeology of the department of natural resources.
(22) The disposal of real property without consideration to:
(A) a governmental agency; or
(B) a nonprofit corporation that exists for the primary purpose of enhancing the environment;
when the property is to be used for compliance with a permit or

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an order issued by a federal or state regulatory agency to mitigate an adverse environmental impact.

(23) The disposal of property to a person under an agreement between the person and a political subdivision or an agency of a political subdivision under IC 5-23.

(24) The disposal of residential real property pursuant to a federal aviation regulation (14 CFR 150) Airport Noise Compatibility Planning Program as approved by the Federal Aviation Administration.

SECTION 235. IC 36-1-12.5-1.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1.5. As used in this chapter, "governing body" means the following:

(1) With respect to school corporations, the governing body (as defined in ~~IC 20-10.1-1-5).~~ **IC 20-18-2-5).**

(2) With respect to a public library, the library board (as defined in ~~IC 20-14-1-2).~~ **IC 36-12-1-3).**

(3) With respect to a library described in ~~IC 20-14-7-6,~~ **IC 36-12-7-8,** the trustees of the library.

(4) With respect to other political subdivisions, the legislative body (as defined in IC 36-1-2-9).

SECTION 236. IC 36-1-14-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) This section does not apply to donations of proceeds from riverboat gaming to a public school endowment corporation under ~~IC 20-5-6-9.~~ **IC 20-26-5-19.**

(b) As used in this section, "riverboat gaming revenue" means tax revenue received by a unit under IC 4-33-12-6, IC 4-33-13, or an agreement to share a city's or county's part of the tax revenue.

(c) Notwithstanding IC 8-1.5-2-6(d), a unit may donate the proceeds from the sale of a utility or facility or from a grant, a gift, a donation, an endowment, a bequest, a trust, or riverboat gaming revenue to a foundation under the following conditions:

(1) The foundation is a charitable nonprofit community foundation.

(2) The foundation retains all rights to the donation, including investment powers.

(3) The foundation agrees to do the following:

(A) Hold the donation as a permanent endowment.

(B) Distribute the income from the donation only to the unit as directed by resolution of the fiscal body of the unit.

(C) Return the donation to the general fund of the unit if the foundation:

(i) loses the foundation's status as a public charitable

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organization;

(ii) is liquidated; or

(iii) violates any condition of the endowment set by the fiscal body of the unit.

SECTION 237. IC 36-3-6-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. (a) The city-county legislative body may review and modify the operating and maintenance budgets and the tax levies of the following entities in the county:

(1) An airport authority operating under IC 8-22-3.

(2) A health and hospital corporation operating under IC 16-22-8.

(3) A public library operating under ~~IC 20-14.~~ **IC 36-12.**

(4) A capital improvement board of managers operating under IC 36-10.

(5) A public transportation corporation operating under IC 36-9-4.

(b) The board of each entity listed in subsection (a) shall, after adoption of its budget and tax levies, submit them, along with detailed accounts, to the city clerk before the first day of September of each year.

(c) The city-county legislative body may review the issuance of bonds of an entity listed in subsection (a), but approval of the city-county legislative body is not required for the issuance of bonds.

SECTION 238. IC 36-9-4-29.4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 29.4. (a) This section does not apply to a public transportation corporation located in a county having a consolidated city.

(b) A public transportation corporation may provide regularly scheduled passenger service to specifically designated locations outside the system's operational boundaries as described in IC 36-9-1-9 if all of the following conditions are met:

(1) The legislative body of the municipality approves any expansion of the service outside the municipality's corporate boundaries.

(2) The expanded service is reasonably required to do any of the following:

(A) Enhance employment opportunities in the new service area or the existing service area.

(B) Serve the elderly, disabled, or other persons who are in need of public transportation.

(3) The rates or compensation for the expanded service are sufficient, on a fully allocated cost basis, to prevent a property tax increase in the taxing district solely as a result of the expanded service.

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(4) Except as provided in subsection (e), the expanded service does not extend beyond the boundary of the county in which the corporation is located.

(5) The corporation complies with sections 29.5 and 29.6 of this chapter.

(c) Notwithstanding section 39 of this chapter, a public transportation corporation may provide demand responsive service outside of the system's operational boundaries as described in IC 36-9-1-9 if the conditions listed in subsection (b) are met.

(d) The board may contract with a private operator for the operation of an expanded service under this section.

(e) Subsection (b)(4) does not apply to a special purpose bus (as defined in ~~IC 20-9.1-1-4.5)~~ **IC 20-27-2-10)** or a school bus (as defined in ~~IC 20-9.1-1-5)~~ **IC 20-27-2-8)** that provides expanded service for a purpose permitted under ~~IC 20-9.1-5.~~ **IC 20-27-9.**

SECTION 239. IC 36-9-4-54 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 54. An urban mass transportation system operating under this chapter may be used for the transportation of pupils to and from schools under a contract made with any school corporation having jurisdiction within the taxing district of the public transportation corporation. The system is solely responsible for the bus drivers' employment and actions, but the bus drivers must meet the qualifications for drivers of school buses as provided in ~~IC 20-9.1-3.~~ **IC 20-27-8.** The buses used for the rendition of service under this section need not meet the requirements of the statutes relating to the construction, equipment, and painting of school buses.

SECTION 240. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2005]: IC 20-1; IC 20-2; IC 20-3; IC 20-3.1; IC 20-4; IC 20-5; IC 20-5.5; IC 20-6.1; IC 20-7; IC 20-7.5; IC 20-8.1; IC 20-9.1; IC 20-10.1; IC 20-10.2; IC 20-11; IC 20-14; IC 20-15; IC 20-16; IC 34-30-2-84.5.

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Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Approved:

Governor of the State of Indiana

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