

**CONFERENCE COMMITTEE REPORT  
DIGEST FOR EHB 1367**

**Citations Affected:** IC 5-10-8-6.7; IC 20-32; IC 20-40-16; IC 20-42.5-4; IC 20-43-12-2.

**Synopsis:** Education. Provides that the requirement that if a school corporation elects to provide coverage under a state employee health plan, it must provide coverage for all active and retired employees under the state employee health plan does not apply to individuals who retire from the school corporation before July 1, 2010. Requires schools to give priority in the allocation of resources to remediation programs to students who are deficient in reading skills in grade 1 through grade 3. Requires the state superintendent of public instruction in conjunction with the state board of education to develop a plan to improve reading skills of students. Provides that the plan must include reading skill standards for grade 1 through grade 3. Allows the governing body of a school corporation to adopt a resolution to transfer money among the funds held by the school corporation. Directs a school corporation to take the actions necessary and desirable to preserve and protect instructional programs. Changes the restoration grant calculation for all school corporations to reflect the amount of the annual decrease in federal aid to affected areas from the year preceding calendar year 2009 by three (3) years to the year preceding calendar year 2009 by two (2) years. **(This conference committee report does the following: (1) retains provisions from the Senate passed version of the bill concerning health insurance and emergency measures to maintain instruction and learning programs; (2) makes various changes in the Senate passed provisions related to reading deficiency remediation plans; (3) authorizes school corporations to transfer money from any fund other than a debt service or racial balance fund; (4) changes the restoration grant calculation for all school corporations to reflect the amount of the annual decrease in federal aid to affected areas from the year preceding calendar year 2009 by three years to the year preceding calendar year 2009 by two years; and (5) removes provisions concerning the starting date of the academic year, plans, and performance reports.)**

**Effective:** Upon passage; January 1, 2010 (retroactive); July 1, 2010.

## CONFERENCE COMMITTEE REPORT

**MR. SPEAKER:**

*Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed Senate Amendments to Engrossed House Bill No. 1367 respectfully reports that said two committees have conferred and agreed as follows to wit:*

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

- 1 Delete everything after the enacting clause and insert the following:
- 2 SECTION 1. IC 5-10-8-6.7, AS ADDED BY P.L.182-2009(ss),
- 3 SECTION 515, IS AMENDED TO READ AS FOLLOWS
- 4 [EFFECTIVE UPON PASSAGE]: Sec. 6.7. (a) As used in this section,
- 5 "state employee health plan" means a:
- 6 (1) self-insurance program established under section 7(b) of this
- 7 chapter; or
- 8 (2) contract with a prepaid health care delivery plan entered into
- 9 under section 7(c) of this chapter;
- 10 to provide group health coverage for state employees.
- 11 (b) The state personnel department shall allow a school corporation
- 12 to elect to provide coverage of health care services for active and
- 13 retired employees of the school corporation under any state employee
- 14 health plan. If a school corporation elects to provide coverage of health
- 15 care services for active and retired employees of the school corporation
- 16 under a state employee health plan, it must provide coverage for all
- 17 active and retired employees of the school corporation under the state
- 18 employee health plan (other than any employees covered by an Indiana
- 19 comprehensive health insurance association policy **or individuals who**
- 20 **retire from the school corporation before July 1, 2010**) if coverage
- 21 was provided for these employees under the prior policies.
- 22 (c) The following apply if a school corporation elects to provide

1 coverage for active and retired employees of the school corporation  
2 under subsection (b):

3 (1) The state shall not pay any part of the cost of the coverage.

4 (2) The coverage provided to an active or retired school  
5 corporation employee under this section must be the same as the  
6 coverage provided to an active or retired state employee under the  
7 state employee health plan.

8 (3) Notwithstanding sections 2.2 and 2.6 of this chapter:

9 (A) the school corporation shall pay for the coverage provided  
10 to an active or retired school corporation employee under this  
11 section an amount not more than the amount paid by the state  
12 for coverage provided to an active or retired state employee  
13 under the state employee health plan; and

14 (B) an active or retired school corporation employee shall pay  
15 for the coverage provided to the active or retired school  
16 corporation employee under this section an amount that is at  
17 least equal to the amount paid by an active or retired state  
18 employee for coverage provided to the active or retired state  
19 employee under the state employee health plan.

20 **However, this subdivision does not apply to contractual**  
21 **commitments made by a school corporation to individuals**  
22 **who retire before July 1, 2010.**

23 (4) The school corporation shall pay any administrative costs of  
24 the school corporation's participation in the state employee health  
25 plan.

26 (5) The school corporation shall provide the coverage elected  
27 under subsection (b) for a period of at least three (3) years  
28 beginning on the date the coverage of the school corporation  
29 employees under the state employee health plan begins.

30 (d) The state personnel department shall provide an enrollment  
31 period at least every thirty (30) days for a school corporation that elects  
32 to provide coverage under subsection (b).

33 (e) The state personnel department may adopt rules under IC 4-22-2  
34 to implement this section.

35 (f) Neither this section nor a school corporation's election to  
36 participate in a state employee health plan as provided in this section  
37 impairs the rights of an exclusive representative of the certificated or  
38 noncertificated employees of the school corporation to collectively  
39 bargain all matters related to school employee health insurance  
40 programs and benefits.

41 SECTION 2. IC 20-32-8-9, AS ADDED BY P.L.1-2005, SECTION  
42 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
43 2010]: Sec. 9. If the governing body decides to establish a remediation  
44 program or preventive remediation program under this chapter, the  
45 governing body must:

46 **(1) give priority in the allocation of resources to students who**  
47 **are deficient in reading skills in grades 1 through grade 3;**

48 ~~(+)~~ **(2)** subject to section 10 of this chapter, determine the type of  
49 program that best fits the needs of the students of the school  
50 corporation; and

51 ~~(2)~~ **(3)** adopt guidelines for:

1 (A) procedures for determining student eligibility for a  
2 program; and

3 (B) implementation of the program.

4 SECTION 3. IC 20-32-8.5 IS ADDED TO THE INDIANA CODE  
5 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
6 JULY 1, 2010]:

7 **Chapter 8.5. Reading Deficiency Remediation Plan**

8 **Sec. 1. The state superintendent, in conjunction with the state  
9 board, shall develop a plan to improve reading skills of students  
10 and implement appropriate remediation techniques for students.**

11 **Sec. 2. The plan required by this chapter must include the  
12 following:**

13 **(1) Reading skill standards for grade 1 through grade 3.**

14 **(2) An emphasis on a method for making determinant  
15 evaluations by grade 3 that might require remedial action for  
16 the student, including retention as a last resort, after other  
17 methods of remediation have been evaluated or used, or both,  
18 if reading skills are below the standard. Appropriate  
19 consultation with parents or guardians must be part of the  
20 plan.**

21 **(3) The fiscal impact of each component of the plan, if any. In  
22 determining whether a component has a fiscal impact,  
23 consideration shall be given to whether the component will  
24 increase costs to the state or a school corporation or require  
25 the state or school corporation to reallocate resources.**

26 **Sec. 3. (a) For any component of the plan that has a fiscal  
27 impact, the state superintendent shall present those components of  
28 the plan to the general assembly:**

29 **(1) for consideration of the plan; and**

30 **(2) to determine the amount of any appropriation in the state  
31 budget for the state fiscal years beginning in 2011 and 2012  
32 that is necessary to carry out the plan.**

33 **(b) To the extent a component of the plan does not have a fiscal  
34 impact, that component of the plan may be implemented after the  
35 state board holds a public hearing at which there is full public  
36 discussion and review by the state board.**

37 **Sec. 4. The state board may adopt rules under IC 4-22-2 to  
38 carry out this chapter.**

39 SECTION 4. IC 20-40-16 IS ADDED TO THE INDIANA CODE  
40 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
41 JULY 1, 2010]:

42 **Chapter 16. School Fund Transfers**

43 **Sec. 1. As used in this chapter, "capital projects fund levy", with  
44 respect to a particular school corporation, means the maximum  
45 levy that the school corporation could impose in calendar year  
46 2010 under IC 20-46-6-5 for the school corporation's capital  
47 projects fund.**

48 **Sec. 2. As used in this chapter, "wage and salary increase"  
49 means an increase in wages or salaries payable for the same or a  
50 similar position after subtracting, for all employees, any of the  
51 following received by the individual:**

- 1           **(1) An increase in wages or salary of an employee from an**  
 2           **increment under IC 20-28-9-2 bargained for under a written**  
 3           **contract signed before March 1, 2010, that has not expired.**  
 4           **(2) An increase in wages or salary of an employee from an**  
 5           **increment under IC 20-28-9-2 that does not exceed the**  
 6           **increment permitted under an increment schedule in effect**  
 7           **during the previous year under a written contract in effect for**  
 8           **the previous year or under the status quo provisions in**  
 9           **IC 20-29-9-16. However, the increment may not exceed two**  
 10           **percent (2%) of the wages and salary of the employee in the**  
 11           **previous year.**  
 12           **(3) An increase in wages or salary that is paid to an employee**  
 13           **as a result of the employee completing licensing requirements.**  
 14           **(4) Health care benefit cost increases for the same or an**  
 15           **equivalent plan that are shared by the employee and the**  
 16           **employer in the same proportion as health care benefit costs**  
 17           **are shared in the previous year.**
- 18           **Sec. 3. No funds transferred under this chapter may be used to**  
 19           **increase an increment schedule from an existing increment**  
 20           **agreement or to increase fringe benefits except those under section**  
 21           **2(4) of this chapter.**
- 22           **Sec. 4. Notwithstanding any other law except this chapter, a**  
 23           **school corporation may transfer money during the 2010-2011**  
 24           **school year to one (1) or more funds held by the school corporation**  
 25           **for the purposes of the funds from any fund held by the school**  
 26           **corporation other than a debt service fund or a racial balance**  
 27           **fund.**
- 28           **Sec. 5. A transfer is not permitted under this chapter after June**  
 29           **30, 2011.**
- 30           **Sec. 6. Money transferred under this chapter must be used to**  
 31           **preserve and protect instructional programs.**
- 32           **Sec. 7. A transfer under this chapter must be authorized by a**  
 33           **resolution adopted by the school corporation's governing body.**
- 34           **Sec. 8. The total amount that may be transferred under section**  
 35           **4 of this chapter in the 2010-2011 school year may not exceed an**  
 36           **amount equal to:**
- 37               **(1) five percent (5%) of the school corporation's capital**  
 38               **projects fund levy, if the governing body does not comply with**  
 39               **section 9 of this chapter; and**  
 40               **(2) ten percent (10%) of the school corporation's capital**  
 41               **projects fund levy, if the governing body complies with section**  
 42               **9 of this chapter.**
- 43           **Sec. 9. To authorize, in the aggregate, transfers exceeding five**  
 44           **percent (5%) of the school corporation's capital projects fund levy,**  
 45           **a governing body must include in the authorizing resolution a**  
 46           **certification that the employees of the school corporation will not**  
 47           **receive a general wage and salary increase for the 2010-2011**  
 48           **school year. The resolution must be submitted to the department.**
- 49           **Sec. 10. If a transfer is made under this chapter during the**  
 50           **2010-2011 school year, the school corporation shall file a report**  
 51           **with the department before October 1, 2011. The report must**

1 **include the following:**

- 2 (1) **The purpose of the transfer.**  
 3 (2) **The funds involved in the transfer.**  
 4 (3) **The amount transferred between the funds.**  
 5 (4) **The impact of the transfer to the programs that are**  
 6 **supported by the fund from which the transfer was made.**

7 **Sec. 11. Notwithstanding any other law (including IC 20-28-9),**  
 8 **the governing body of a school corporation and an exclusive**  
 9 **representative may mutually agree to forego any wage or salary**  
 10 **increases that would otherwise be required under IC 20-28-9 for**  
 11 **the 2010-2011 school year.**

12 **Sec. 12. This chapter expires October 1, 2011.**

13 SECTION 5. IC 20-42.5-4 IS ADDED TO THE INDIANA CODE  
 14 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
 15 UPON PASSAGE]:

16 **Chapter 4. Emergency Measures to Maintain Instruction and**  
 17 **Learning Programs**

18 **Sec. 1. A school corporation shall take the actions necessary and**  
 19 **desirable to preserve and protect instructional programs, including**  
 20 **class sizes, curriculum, or program offerings.**

21 SECTION 6. IC 20-43-12-2, AS ADDED BY P.L.182-2009(ss),  
 22 SECTION 343, IS AMENDED TO READ AS FOLLOWS  
 23 [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]: Sec. 2. The  
 24 amount of the restoration grant to which a school corporation is entitled  
 25 in a **calendar year 2010 and calendar year 2011** is equal to the result  
 26 determined under the following formula:

27 STEP ONE: Determine the school corporation's basic tuition  
 28 support for the current year.

29 STEP TWO: Determine the amount of the ~~basic tuition support to~~  
 30 ~~which the school corporation~~ **corporation's previous year**  
 31 **revenue that would have been entitled applies to the**  
 32 **determination of the school corporation's basic tuition**  
 33 **support** for the ~~2009~~ **2010 calendar year**. ~~if the school~~  
 34 ~~corporation's basic tuition support had been computed using the~~  
 35 ~~formula for computing basic tuition support for 2009 as that~~  
 36 ~~formula existed after the amendments made by P.L.146-2008:~~

37 STEP THREE: Determine the sum of:

- 38 (A) the STEP TWO amount divided by the school  
 39 corporation's 2009 ADM; plus  
 40 (B) twenty-five dollars (\$25) for 2010 and seventy-five dollars  
 41 (\$75) for 2011.

42 STEP FOUR: Determine the result of:

- 43 (A) the school corporation's STEP THREE amount; multiplied  
 44 by  
 45 (B) the school corporation's ADM for the current year.

46 STEP FIVE: Determine the sum of:

- 47 (A) the STEP TWO amount divided by the school  
 48 corporation's 2009 ADM; minus  
 49 (B) twenty-five dollars (\$25) for 2010 and seventy-five dollars  
 50 (\$75) for 2011.

51 STEP SIX: Determine the result of:

- 1 (A) the school corporation's STEP FIVE amount; multiplied by  
 2 (B) the school corporation's ADM for the current year.
- 3 STEP SEVEN: Determine the lesser of:  
 4 (A) the STEP FOUR amount; or  
 5 (B) the STEP TWO amount.
- 6 STEP EIGHT: Determine the greater of:  
 7 (A) the STEP SEVEN amount; or  
 8 (B) the STEP SIX amount.
- 9 STEP NINE: Determine the greater of zero (0) or the result of:  
 10 (A) the STEP EIGHT amount; minus  
 11 (B) the STEP ONE amount.
- 12 STEP TEN: Determine the sum of the current year basic tuition  
 13 support plus the STEP NINE amount.
- 14 STEP ELEVEN: Determine the result of the following:  
 15 (A) For 2010, divide the STEP TEN amount by the STEP  
 16 TWO amount.  
 17 (B) For 2011, divide:  
 18 (i) the STEP TEN amount; by  
 19 (ii) the sum of the prior year basic tuition support plus the  
 20 prior year STEP NINE amount.
- 21 STEP TWELVE: Determine the greater of:  
 22 (A) zero (0); or  
 23 (B) the result of:  
 24 (i) ninety-seven hundredths (0.97); minus  
 25 (ii) the STEP ELEVEN amount.
- 26 STEP THIRTEEN: Determine the lesser of:  
 27 (A) two hundred twenty dollars (\$220) for 2010 and three  
 28 hundred fifty dollars (\$350) for 2011; or  
 29 (B) the result of:  
 30 (i) the STEP TWELVE amount multiplied by nine thousand  
 31 five hundred (9,500), in 2010; and  
 32 (ii) the STEP TWELVE amount multiplied by twelve  
 33 thousand (12,000), in 2011.
- 34 STEP FOURTEEN: Determine the product of:  
 35 (A) the STEP THIRTEEN amount; multiplied by  
 36 (B) the school corporation's current ADM.
- 37 STEP FIFTEEN: Determine the sum of:  
 38 (A) the STEP NINE amount; plus  
 39 (B) the STEP FOURTEEN amount.
- 40 SECTION 7. [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]  
 41 **The changes, by the amendment of IC 20-43-12-2 by this act, to the**  
 42 **amount of state tuition support to which a school corporation is**  
 43 **entitled under IC 20-43 in 2010 and 2011 shall be applied before**  
 44 **making any reduction in the amount under IC 4-13-2-18,**  
 45 **IC 20-43-2-3, and IC 20-43-2-4, or another law.**
- 46 SECTION 8. [EFFECTIVE UPON PASSAGE] (a)  
 47 **Notwithstanding the effective date of IC 20-40-16, as added by this**  
 48 **act, a governing body (as defined in IC 20-18-2-5) of a school**  
 49 **corporation (as defined in IC 20-18-2-16(a)) may adopt, before July**  
 50 **1, 2010, the resolutions necessary to implement IC 20-40-16, as**  
 51 **added by this act. A resolution described in this subsection is**

- 1 **effective to the same extent as if it were adopted after June 30,**
- 2 **2010.**
- 3 **(b) This SECTION expires October 1, 2011.**
- 4 **SECTION 9. An emergency is declared for this act.**  
(Reference is to EHB 1367 as reprinted February 23, 2010.)

**Conference Committee Report**  
**on**  
**Engrossed House Bill 1367**

**S**igned by:

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Representative Porter  
Chairperson

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Senator Kenley

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Representative Behning

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Senator Rogers

**House Conferees**

**Senate Conferees**