Second Regular Session 116th General Assembly (2010)

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 2009 Regular and Special Sessions of the General Assembly.

HOUSE ENROLLED ACT No. 1367

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AN ACT to amend the Indiana Code concerning education.

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

SECTION 1. IC 5-10-8-6.7, AS ADDED BY P.L.182-2009(ss), SECTION 515, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6.7. (a) As used in this section, "state employee health plan" means a:

(1) self-insurance program established under section 7(b) of this chapter; or

(2) contract with a prepaid health care delivery plan entered into under section 7(c) of this chapter;

to provide group health coverage for state employees.

(b) The state personnel department shall allow a school corporation to elect to provide coverage of health care services for active and retired employees of the school corporation under any state employee health plan. If a school corporation elects to provide coverage of health care services for active and retired employees of the school corporation under a state employee health plan, it must provide coverage for all active and retired employees of the school corporation under the state employee health plan (other than any employees covered by an Indiana comprehensive health insurance association policy **or individuals who retire from the school corporation before July 1, 2010)** if coverage was provided for these employees under the prior policies.

(c) The following apply if a school corporation elects to provide

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 2. IC 20-32-8-9, AS ADDED BY P.L.1-2005, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,

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2010]: Sec. 9. If the governing body decides to establish a remediation program or preventive remediation program under this chapter, the governing body must:

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

~~(1)~~ **(2)** 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)~~ **(3)** adopt guidelines for:

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

(B) implementation of the program.

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

Chapter 8.5. Reading Deficiency Remediation Plan

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

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

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

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

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

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

(1) for consideration of the plan; and

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

(b) To the extent a component of the plan does not have a fiscal

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impact, that component of the plan may be implemented after the state board holds a public hearing at which there is full public discussion and review by the state board.

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

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

Chapter 16. School Fund Transfers

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

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

(1) An increase in wages or salary of an employee from an increment under IC 20-28-9-2 bargained for under a written contract signed before March 1, 2010, that has not expired.

(2) An increase in wages or salary of an employee from an increment under IC 20-28-9-2 that does not exceed the increment permitted under an increment schedule in effect during the previous year under a written contract in effect for the previous year or under the status quo provisions in IC 20-29-9-16. However, the increment may not exceed two percent (2%) of the wages and salary of the employee in the previous year.

(3) An increase in wages or salary that is paid to an employee as a result of the employee completing licensing requirements.

(4) Health care benefit cost increases for the same or an equivalent plan that are shared by the employee and the employer in the same proportion as health care benefit costs are shared in the previous year.

Sec. 3. No funds transferred under this chapter may be used to increase an increment schedule from an existing increment agreement or to increase fringe benefits except those under section 2(4) of this chapter.

Sec. 4. Notwithstanding any other law except this chapter, a school corporation may transfer money during the 2010-2011 school year to one (1) or more funds held by the school corporation

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for the purposes of the funds from any fund held by the school corporation other than a debt service fund or a racial balance fund.

Sec. 5. A transfer is not permitted under this chapter after June 30, 2011.

Sec. 6. Money transferred under this chapter must be used to preserve and protect instructional programs.

Sec. 7. A transfer under this chapter must be authorized by a resolution adopted by the school corporation's governing body.

Sec. 8. The total amount that may be transferred under section 4 of this chapter in the 2010-2011 school year may not exceed an amount equal to:

(1) five percent (5%) of the school corporation's capital projects fund levy, if the governing body does not comply with section 9 of this chapter; and

(2) ten percent (10%) of the school corporation's capital projects fund levy, if the governing body complies with section 9 of this chapter.

Sec. 9. To authorize, in the aggregate, transfers exceeding five percent (5%) of the school corporation's capital projects fund levy, a governing body must include in the authorizing resolution a certification that the employees of the school corporation will not receive a general wage and salary increase for the 2010-2011 school year. The resolution must be submitted to the department.

Sec. 10. If a transfer is made under this chapter during the 2010-2011 school year, the school corporation shall file a report with the department before October 1, 2011. The report must include the following:

(1) The purpose of the transfer.

(2) The funds involved in the transfer.

(3) The amount transferred between the funds.

(4) The impact of the transfer to the programs that are supported by the fund from which the transfer was made.

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

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

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

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Chapter 4. Emergency Measures to Maintain Instruction and Learning Programs

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

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

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

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

STEP THREE: Determine the sum of:

(A) the STEP TWO amount divided by the school corporation's 2009 ADM; plus

(B) twenty-five dollars ($25) for 2010 and seventy-five dollars ($75) for 2011.

STEP FOUR: Determine the result of:

(A) the school corporation's STEP THREE amount; multiplied by

(B) the school corporation's ADM for the current year.

STEP FIVE: Determine the sum of:

(A) the STEP TWO amount divided by the school corporation's 2009 ADM; minus

(B) twenty-five dollars ($25) for 2010 and seventy-five dollars ($75) for 2011.

STEP SIX: Determine the result of:

(A) the school corporation's STEP FIVE amount; multiplied by

(B) the school corporation's ADM for the current year.

STEP SEVEN: Determine the lesser of:

(A) the STEP FOUR amount; or

(B) the STEP TWO amount.

STEP EIGHT: Determine the greater of:

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(A) the STEP SEVEN amount; or
(B) the STEP SIX amount.
STEP NINE: Determine the greater of zero (0) or the result of:
(A) the STEP EIGHT amount; minus
(B) the STEP ONE amount.
STEP TEN: Determine the sum of the current year basic tuition support plus the STEP NINE amount.
STEP ELEVEN: Determine the result of the following:
(A) For 2010, divide the STEP TEN amount by the STEP TWO amount.
(B) For 2011, divide:
(i) the STEP TEN amount; by
(ii) the sum of the prior year basic tuition support plus the prior year STEP NINE amount.
STEP TWELVE: Determine the greater of:
(A) zero (0); or
(B) the result of:
(i) ninety-seven hundredths (0.97); minus
(ii) the STEP ELEVEN amount.
STEP THIRTEEN: Determine the lesser of:
(A) two hundred twenty dollars ($220) for 2010 and three hundred fifty dollars ($350) for 2011; or
(B) the result of:
(i) the STEP TWELVE amount multiplied by nine thousand five hundred (9,500), in 2010; and
(ii) the STEP TWELVE amount multiplied by twelve thousand (12,000), in 2011.
STEP FOURTEEN: Determine the product of:
(A) the STEP THIRTEEN amount; multiplied by
(B) the school corporation's current ADM.
STEP FIFTEEN: Determine the sum of:
(A) the STEP NINE amount; plus
(B) the STEP FOURTEEN amount.

SECTION 7. [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)] **The changes, by the amendment of IC 20-43-12-2 by this act, to the amount of state tuition support to which a school corporation is entitled under IC 20-43 in 2010 and 2011 shall be applied before making any reduction in the amount under IC 4-13-2-18, IC 20-43-2-3, and IC 20-43-2-4, or another law.**

SECTION 8. [EFFECTIVE UPON PASSAGE] **(a) Notwithstanding the effective date of IC 20-40-16, as added by this act, a governing body (as defined in IC 20-18-2-5) of a school**

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corporation (as defined in IC 20-18-2-16(a)) may adopt, before July 1, 2010, the resolutions necessary to implement IC 20-40-16, as added by this act. A resolution described in this subsection is effective to the same extent as if it were adopted after June 30, 2010.

(b) This SECTION expires October 1, 2011.

SECTION 9. **An emergency is declared for this act.**

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Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Governor of the State of Indiana

Date: _____ Time: _____

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