



April 15, 2011

**ENGROSSED
HOUSE BILL No. 1369**

DIGEST OF HB 1369 (Updated April 13, 2011 4:31 pm - DI 71)

Citations Affected: IC 2-5; IC 5-14; IC 20-18; IC 20-23; IC 20-25; IC 20-28; IC 34-30.

Synopsis: Education. Creates the high school graduation study committee to study the causes of low graduation rates in certain schools and how the graduation rates can be improved. Requires the department of education to work with the office of technology and other agencies to post on the department's Internet web site a data base of property owned by, and expenditures and fund balances of, local (Continued next page)

Effective: July 1, 2011.

Soliday, Behning, Turner, Noe
(SENATE SPONSOR — KRUSE)

January 18, 2011, read first time and referred to Committee on Education.
February 8, 2011, amended, reported — Do Pass. Recommitted to Committee on Ways and Means pursuant to Rule 127.
February 10, 2011, referral to Committee on Ways and Means withdrawn.
February 15, 2011, read second time, amended, ordered engrossed.
February 16, 2011, engrossed.
February 17, 2011, read third time, passed. Yeas 53, nays 36.
SENATE ACTION
February 22, 2011, read first time and referred to Committee on Education and Career Development.
April 14, 2011, amended, reported favorably — Do Pass.

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Digest Continued

schools. Provides that a severance package for a school corporation superintendent may not include state funds in an amount greater than the superintendent's salary for one year. Requires the department of education and school corporations to work together to set performance goals for improvement in: (1) standardized testing; (2) retention of students and graduation rates; (3) budgeting and fiscal performance; and (4) other areas the school corporation considers important. Requires a contract of employment entered into between the governing body of the school corporation and a school administrator to include provisions concerning compensation based on the individual's performance in meeting the goals for improvement for certain criteria. Repeals a requirement that a county superintendent of schools must have five years of successful teaching experience and hold a superintendent's license.

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April 15, 2011

First Regular Session 117th General Assembly (2011)

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 2010 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1369

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

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

1 SECTION 1. IC 2-5-32.9 IS ADDED TO THE INDIANA CODE
2 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2011]:

4 **Chapter 32.9. High School Graduation Study Committee**

5 **Sec. 1. As used in this chapter, "committee" refers to the high**
6 **school graduation study committee established by section 2 of this**
7 **chapter.**

8 **Sec. 2. The high school graduation study committee is**
9 **established to do the following:**

10 (1) Study the causes of low graduation rates in Indiana high
11 schools that have less than a fifty percent (50%) graduation
12 rate.

13 (2) Identify best practices that increase graduation rates in
14 high schools in Indiana and other states.

15 (3) Highlight training and technical assistance opportunities
16 for high schools to effectively address low graduation rates.

17 **Sec. 3. The committee consists of the following fourteen (14)**

EH 1369—LS 7383/DI 109+



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members:

- (1) The state superintendent of public instruction or the state superintendent's designee.**
- (2) The executive director of the Indiana Association of Public School Superintendents or the executive director's designee.**
- (3) The executive director of the Indiana School Board Association or the executive director's designee.**
- (4) The executive director of the Indiana Association of School Principals or the executive director's designee.**
- (5) Two (2) members of the house of representatives appointed by the speaker of the house of representatives. The members appointed under this subdivision may not be members of the same political party.**
- (6) Two (2) members of the senate appointed by the president pro tempore of the senate. The members appointed under this subdivision may not be members of the same political party.**
- (7) One (1) public high school principal appointed by the governor.**
- (8) One (1) charter high school principal appointed by the governor.**
- (9) One (1) nonpublic accredited high school principal appointed by the governor.**
- (10) One (1) certificated employee (as defined in IC 20-29-2-4) who is a public high school teacher, appointed by the governor.**
- (11) One (1) certificated employee (as defined in IC 20-29-2-4) who is a teacher at a charter high school, appointed by the governor.**
- (12) One (1) individual who is a teacher at an accredited nonpublic high school, appointed by the governor.**

Sec. 4. Each member of the committee serves a term of two (2) years. A member appointed to fill a vacancy holds office for the remainder of the unexpired term.

Sec. 5. The chairman of the legislative council shall appoint a legislative member of the committee to serve as chair of the committee.

Sec. 6. The committee shall operate under the policies governing study committees adopted by the legislative council except that the members of the committee who are not legislators shall serve without compensation.

Sec. 7. The legislative services agency shall provide administrative support for the committee. At the request of the

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1 legislative services agency, the department of education shall assign
2 staff to provide research and other support to assist the legislative
3 services agency in providing administrative support to the
4 committee.

5 Sec. 8. The affirmative votes of a majority of the members
6 appointed to the committee are required for the committee to take
7 action on any measure, including final reports.

8 Sec. 9. Not later than December 1, 2012, the committee shall
9 submit a status report to the governor and the legislative council
10 on the activities of the committee and any action the committee has
11 taken. The committee shall issue a final report stating the findings,
12 conclusions, and recommendations of the committee by November
13 1, 2013. The committee shall submit the reports to the governor
14 and the legislative council. A report submitted under this section
15 to the legislative council must be in an electronic format under
16 IC 5-14-6.

17 Sec. 10. This chapter expires December 1, 2013.

18 SECTION 2. IC 5-14-3.7 IS ADDED TO THE INDIANA CODE
19 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
20 JULY 1, 2011]:

21 Chapter 3.7. Access to Financial Data Concerning Local Schools

22 Sec. 1. As used in this chapter, "department" refers to the
23 department of education established by IC 20-19-3-1.

24 Sec. 2. As used in this chapter, "public school" has the meaning
25 set forth in IC 20-18-2-15.

26 Sec. 3. (a) The department, working with:

- 27 (1) the office of technology established by IC 4-13.1-2-1 or
- 28 another organization that is part of a state educational
- 29 institution;
- 30 (2) the state board of accounts established by IC 5-11-1-1;
- 31 (3) the department of local government finance; and
- 32 (4) the office of management and budget established by
- 33 IC 4-3-22-3;

34 shall post on the department's Internet web site a data base that
35 lists expenditures and fund balances, including expenditures for
36 contracts, grants, and leases, of public schools. The web site data
37 base must be electronically searchable by the public.

38 (b) The data base under subsection (a) must include for public
39 schools:

- 40 (1) the amount, date, payer, and payee of expenditures;
- 41 (2) a listing of expenditures by:
 - 42 (A) personal services, including the value of

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- 1 administrators' benefits packages;
- 2 (B) other operating expenses; and
- 3 (C) total operating expenses;
- 4 (3) a listing of fund balances;
- 5 (4) a listing of real and personal property owned by the public
- 6 school; and
- 7 (5) the report required under IC 6-1.1-33.5-7.

8 Sec. 4. To the extent possible, the department shall present
 9 information in the data base established under this chapter in a
 10 manner that is searchable and intuitive to users.

11 Sec. 5. (a) The department may not allow public access under
 12 this chapter to:

- 13 (1) a payee's address;
- 14 (2) personal information that is protected under state or
- 15 federal law or by rule; or
- 16 (3) information that is protected as a trade secret under state
- 17 or federal law or by rule.

18 (b) The department may make information protected under
 19 subsection (a) available in an aggregate format only.

20 Sec. 6. Employees of the department are immune from any civil
 21 liability for posting confidential information under section 5 of this
 22 chapter if an employee of the department posted the information
 23 in reliance on a determination made by a public school about the
 24 confidentiality of information relating to the educational
 25 institution's expenditures or fund balances.

26 Sec. 7. To the extent that any information required to be in the
 27 data base established under this chapter is collected or maintained
 28 by a public school, the public school shall provide that information
 29 to the department for inclusion in the data base.

30 Sec. 8. The department may not charge a fee for access to the
 31 data base established under this chapter.

32 Sec. 9. Except as provided in section 10 of this chapter, a public
 33 school shall cooperate with and provide information to the
 34 department as necessary to implement and administer this chapter.

35 Sec. 10. This chapter does not require a public school or state
 36 agency to record information or expend resources for the purpose
 37 of computer programming to make information reportable under
 38 this chapter. This section does not waive requirements under any
 39 law that a prescribed form must be submitted electronically.

40 Sec. 11. The office of technology established by IC 4-13.1-2-1
 41 shall work with the department to include on the Internet web site
 42 on which the data base is established under this chapter a link to

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1 the Internet web site of each Internet web site operated by:

- 2 (1) the state; or
 3 (2) a public school.

4 **Sec. 12.** Each public school shall include on the public school's
 5 Internet web site a link to the Internet web site data base
 6 established under this chapter.

7 **Sec. 13.** The department and the office of technology shall
 8 initially complete the design of the Internet web site data base
 9 established under this chapter and establish and post the
 10 information required under this chapter for all public schools.

11 **Sec. 14.** Not later than November 15, 2011, the department shall
 12 provide a report to the state board of finance and the legislative
 13 council on the progress the office has made to comply with this
 14 chapter. The report to the legislative council must be in an
 15 electronic format under IC 5-14-6.

16 **Sec. 15.** In order to comply with this chapter, the department
 17 may require that forms required to be submitted under this
 18 chapter be submitted in an electronic format.

19 SECTION 3. IC 20-18-2-2.1 IS ADDED TO THE INDIANA CODE
 20 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 21 1, 2011]: **Sec. 2.1. (a)** For purposes of this title (except for IC 20-25
 22 and IC 20-28-8.5), "administrator" refers to any of the following:

- 23 (1) A superintendent.
 24 (2) An assistant superintendent.
 25 (3) A principal.
 26 (4) An assistant principal.

27 (b) For purposes of IC 20-25, "administrator" has the meaning
 28 set forth in IC 20-25-2-2.

29 (c) For purposes of IC 20-28-8.5, "administrator" has the
 30 meaning set forth in IC 20-28-8.5-1.

31 SECTION 4. IC 20-25-2-2, AS ADDED BY P.L.1-2005, SECTION
 32 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,
 33 2011]: **Sec. 2.** "Administrator" means a full-time employee of a school
 34 in the school city who is:

- 35 (1) a principal;
 36 (2) an assistant principal; or
 37 (3) a superintendent;
 38 (4) an assistant superintendent; or
 39 (5) any other educational manager at the school.

40 SECTION 5. IC 20-28-8-13 IS ADDED TO THE INDIANA CODE
 41 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 42 1, 2011]: **Sec. 13.** Whenever a governing body determines that a

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1 severance payment is appropriate for an individual to whom this
2 chapter applies, the amount of state funding used in the severance
3 payment may not exceed an amount equal to one (1) year's salary
4 for the individual.

5 SECTION 6. IC 20-28-8.5 IS ADDED TO THE INDIANA CODE
6 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
7 JULY 1, 2011]:

8 **Chapter 8.5. Pay to Performance Program for School**
9 **Administrators**

10 **Sec. 1. As used in this chapter, "administrator" refers to any of**
11 **the following individuals employed by a school corporation:**

- 12 (1) A superintendent.
- 13 (2) An assistant superintendent.
- 14 (3) A principal.
- 15 (4) A vice principal.
- 16 (5) A school corporation's chief financial officer.

17 **Sec. 2. Each school corporation, in collaboration with the state**
18 **board, shall set goals for an administrator's improvement in:**

- 19 (1) student growth and performance;
- 20 (2) student graduation rates and retention;
- 21 (3) budget and fiscal performance; and
- 22 (4) any other areas the governing body considers significant
23 for the school corporation;

24 **to the extent that an area is included in the administrator's duties.**

25 **Sec. 3. The state board shall adopt a model administrator**
26 **incentive pay program to be implemented by governing bodies in**
27 **awarding pay to performance incentives for administrators based**
28 **solely on the categories listed in section 2 of this chapter.**

29 **Sec. 4. Each governing body shall adopt improvement goals in**
30 **each of the categories listed in section 2 of this chapter.**

31 **Sec. 5. (a) A school corporation shall implement and maintain**
32 **a method of compensation for its administrators that includes job**
33 **performance and job accomplishments as a significant factor in**
34 **determining compensation and additional compensation. The**
35 **assessment of job performance shall incorporate a rigorous,**
36 **transparent, and fair evaluation system that evaluates an**
37 **administrator's performance, at least in part, based upon data on**
38 **student growth as measured by assessments and other objective**
39 **criteria.**

40 **(b) A contract of employment entered into between the**
41 **governing body of the school corporation and an individual listed**
42 **in section 1(1) through 1(4) of this chapter shall include provisions**

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1 concerning compensation, under which the individual is entitled to
2 receive not more than ninety-five percent (95%) of the individual's
3 compensation automatically, with the remainder of at least five
4 percent (5%) based on the individual's performance in meeting the
5 goals for improvement for the categories listed in section 2 of this
6 chapter.

7 (c) A contract of employment entered into between the
8 governing body of the school corporation and a school chief
9 financial officer shall include provisions concerning compensation,
10 under which the individual is entitled to receive not more than
11 ninety-five percent (95%) of the individual's compensation
12 automatically, with the remainder of at least five percent (5%)
13 based on the individual's performance in meeting the goals for
14 improvement for the categories listed in section 2(3) of this
15 chapter.

16 (d) If a collective bargaining agreement is in effect before July
17 1, 2011, for an administrator of a school corporation, and if that
18 collective bargaining agreement prevents compliance with
19 subsection (a), subsection (a) does not apply to that school
20 corporation until after the expiration of that collective bargaining
21 agreement.

22 SECTION 7. IC 34-30-2-14.8 IS ADDED TO THE INDIANA
23 CODE AS A NEW SECTION TO READ AS FOLLOWS
24 [EFFECTIVE JULY 1, 2011]: **Sec. 14.8. IC 5-14-3.7-6 (Concerning**
25 **the department of education for posting certain confidential**
26 **information).**

27 SECTION 8. IC 20-23-2-7 IS REPEALED [EFFECTIVE JULY 1,
28 2011].

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1369, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 20-18-2-22, AS ADDED BY P.L.246-2005, SECTION 126, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 22. (a) "Teacher" means a professional person whose position in a school corporation requires certain educational preparation and licensing.

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

- (1) A superintendent **who holds a license under IC 20-28-5.**
- (2) A supervisor.
- (3) A principal.
- (4) An attendance officer.
- (5) A teacher.
- (6) A librarian.

SECTION 2. IC 20-23-7-10, AS ADDED BY P.L.1-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: 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. **However, the metropolitan superintendent of schools is not required to hold a license under IC 20-28-5.** The metropolitan superintendent of schools' salary and expense allowance is fixed by the metropolitan board of education. The 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

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(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.

SECTION 3. IC 20-25-2-2, AS ADDED BY P.L.1-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: 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) a superintendent;**
- (4) an assistant superintendent; or**
- ~~(5)~~ **(5) any other educational manager at the school.**

SECTION 4. IC 20-26-5-4, AS AMENDED BY P.L.182-2009(ss), SECTION 316, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: 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.

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(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 ADM, 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 20-47-2, IC 20-47-3, or IC 20-47-5.

(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.

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(C) Provide for conservation measures through utility efficiency programs or under a guaranteed 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 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 specified under the powers authorized 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 who are at least five (5) years of age and less than fifteen (15) 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

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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 (**who are not required to hold a license under IC 20-28-5**), 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 described in this subdivision.

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 are 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 so 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

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time providing reasonable accountability for the funds expended. (9) Notwithstanding the appropriation limitation in subdivision (3), when the governing body by resolution 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 reimburse the employee or the member the employee's or member's reasonable lodging and meal expenses 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 must 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 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 20-48-1.

(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

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with motor vehicles or property and for additional 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 or IC 5-10-8-6.7;

(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, the federal government, or from any other source.

(17) To defend a 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:

(A) for the government and management of the schools, property, facilities, and activities of the school corporation, the

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school corporation's agents, employees, and pupils and for the operation of the governing body; and

(B) that 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 20-40-12, and IC 20-48-1 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 20-40-12, and IC 20-48-1 by specific language or by reference to other law.

SECTION 5. IC 20-26-5-4.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: **Sec. 4.5. (a) Notwithstanding IC 20-28-10-13, the governing body of a school corporation may establish a policy to require administrators (as defined in IC 20-25-2-2) hired after July 1, 2011, to be residents of the school corporation.**

(b) A policy established under subsection (a) must do the following:

(1) Include in the policy persons hired as administrators after June 30, 2011, who were teachers in the school corporation on or before June 30, 2011.

(2) Exclude from the policy administrators hired by contract before July 1, 2011, whose contracts are renewed after June 30, 2011.

SECTION 7. IC 20-28-8-6, AS ADDED BY P.L. 1-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: **Sec. 6. A contract entered into by a governing body and its superintendent is subject to the following conditions:**

(1) If the superintendent holds a license under IC 20-28-5, the

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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) **If the superintendent holds a license under IC 20-28-5**, the rights of a superintendent as a teacher under any other law are not affected by the contract.

SECTION 8. IC 20-28-8-7, AS ADDED BY P.L.1-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: 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:

(A) for cause under a statute that sets forth causes for dismissal of teachers, **if the superintendent is licensed under IC 20-28-5; or**

(B) for:

- (i) **immorality;**
- (ii) **misconduct in office;**
- (iii) **incompetency; or**
- (iv) **willful neglect of duty;**

if the superintendent is not licensed under IC 20-28-5.

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."

Page 2, between lines 19 and 20, begin a new paragraph and insert:

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"(b) A contract of employment entered into between the governing body of the school corporation and an individual listed in section 1(1) through 1(4) of this chapter shall include provisions concerning compensation based on the individual's performance in meeting the goals for improvement for the criteria listed in section 2 of this chapter.

(c) A contract of employment entered into between the governing body of the school corporation and a school business official shall include provisions concerning compensation based on the individual's performance in meeting the goals for improvement for the criteria listed in section 2(4) of this chapter."

Page 2, line 20, delete "(b)" and insert "(d)".

Page 2, between lines 25 and 26, begin a new paragraph and insert:
"SECTION 9. IC 20-23-2-7 IS REPEALED [EFFECTIVE JULY 1, 2011]."

Page 2, delete lines 26 through 42.

Delete pages 3 through 4.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1369 as introduced.)

BEHNING, Chair

Committee Vote: yeas 8, nays 5.

HOUSE MOTION

Mr. Speaker: I move that House Bill 1369 be amended to read as follows:

Page 2, line 2, delete "schools" and insert **"a school district with an ADM of at least eight thousand (8,000) students"**.

Page 10, line 32, delete "standardized test scores;" and insert **"performance;"**.

Page 10, line 33, delete "rates;" and insert **"rates and retention;"**.

Page 10, delete line 34.

Page 10, line 35, delete "(4)" and insert **"(3)"**.

Page 10, line 36, delete "(5)" and insert **"(4)"**.

Page 10, line 42, delete "recommend" and insert **"adopt"**.

Page 11, line 1, delete "for" and insert **"subject to a random audit"**.

Page 11, line 2, delete "approval".

Page 11, line 15, after "compensation" insert **", at**

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least five percent (5%) of which is".

Page 11, line 20, after "compensation" insert ", **at least five percent (5%) of which is".**

(Reference is to HB 1369 as printed February 11, 2011.)

SOLIDAY

COMMITTEE REPORT

Madam President: The Senate Committee on Education and Career Development, to which was referred House Bill No. 1369, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete the title and insert the following:

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

Page 1, delete lines 1 through 17, begin a new paragraph and insert: "SECTION 1. IC 2-5-32.9 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]:

Chapter 32.9. High School Graduation Study Committee

Sec. 1. As used in this chapter, "committee" refers to the high school graduation study committee established by section 2 of this chapter.

Sec. 2. The high school graduation study committee is established to do the following:

- (1) Study the causes of low graduation rates in Indiana high schools that have less than a fifty percent (50%) graduation rate.**
- (2) Identify best practices that increase graduation rates in high schools in Indiana and other states.**
- (3) Highlight training and technical assistance opportunities for high schools to effectively address low graduation rates.**

Sec. 3. The committee consists of the following fourteen (14) members:

- (1) The state superintendent of public instruction or the state superintendent's designee.**
- (2) The executive director of the Indiana Association of Public School Superintendents or the executive director's designee.**
- (3) The executive director of the Indiana School Board**

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Association or the executive director's designee.

(4) The executive director of the Indiana Association of School Principals or the executive director's designee.

(5) Two (2) members of the house of representatives appointed by the speaker of the house of representatives. The members appointed under this subdivision may not be members of the same political party.

(6) Two (2) members of the senate appointed by the president pro tempore of the senate. The members appointed under this subdivision may not be members of the same political party.

(7) One (1) public high school principal appointed by the governor.

(8) One (1) charter high school principal appointed by the governor.

(9) One (1) nonpublic accredited high school principal appointed by the governor.

(10) One (1) certificated employee (as defined in IC 20-29-2-4) who is a public high school teacher, appointed by the governor.

(11) One (1) certificated employee (as defined in IC 20-29-2-4) who is a teacher at a charter high school, appointed by the governor.

(12) One (1) individual who is a teacher at an accredited nonpublic high school, appointed by the governor.

Sec. 4. Each member of the committee serves a term of two (2) years. A member appointed to fill a vacancy holds office for the remainder of the unexpired term.

Sec. 5. The chairman of the legislative council shall appoint a legislative member of the committee to serve as chair of the committee.

Sec. 6. The committee shall operate under the policies governing study committees adopted by the legislative council except that the members of the committee who are not legislators shall serve without compensation.

Sec. 7. The legislative services agency shall provide administrative support for the committee. At the request of the legislative services agency, the department of education shall assign staff to provide research and other support to assist the legislative services agency in providing administrative support to the committee.

Sec. 8. The affirmative votes of a majority of the members appointed to the committee are required for the committee to take

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action on any measure, including final reports.

Sec. 9. Not later than December 1, 2012, the committee shall submit a status report to the governor and the legislative council on the activities of the committee and any action the committee has taken. The committee shall issue a final report stating the findings, conclusions, and recommendations of the committee by November 1, 2013. The committee shall submit the reports to the governor and the legislative council. A report submitted under this section to the legislative council must be in an electronic format under IC 5-14-6.

Sec. 10. This chapter expires December 1, 2013.

SECTION 2. IC 5-14-3.7 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]:

Chapter 3.7. Access to Financial Data Concerning Local Schools

Sec. 1. As used in this chapter, "department" refers to the department of education established by IC 20-19-3-1.

Sec. 2. As used in this chapter, "public school" has the meaning set forth in IC 20-18-2-15.

Sec. 3. (a) The department, working with:

- (1) the office of technology established by IC 4-13.1-2-1 or another organization that is part of a state educational institution;
- (2) the state board of accounts established by IC 5-11-1-1;
- (3) the department of local government finance; and
- (4) the office of management and budget established by IC 4-3-22-3;

shall post on the department's Internet web site a data base that lists expenditures and fund balances, including expenditures for contracts, grants, and leases, of public schools. The web site data base must be electronically searchable by the public.

(b) The data base under subsection (a) must include for public schools:

- (1) the amount, date, payer, and payee of expenditures;
- (2) a listing of expenditures by:
 - (A) personal services, including the value of administrators' benefits packages;
 - (B) other operating expenses; and
 - (C) total operating expenses;
- (3) a listing of fund balances;
- (4) a listing of real and personal property owned by the public school; and

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(5) the report required under IC 6-1.1-33.5-7.

Sec. 4. To the extent possible, the department shall present information in the data base established under this chapter in a manner that is searchable and intuitive to users.

Sec. 5. (a) The department may not allow public access under this chapter to:

- (1) a payee's address;
- (2) personal information that is protected under state or federal law or by rule; or
- (3) information that is protected as a trade secret under state or federal law or by rule.

(b) The department may make information protected under subsection (a) available in an aggregate format only.

Sec. 6. Employees of the department are immune from any civil liability for posting confidential information under section 5 of this chapter if an employee of the department posted the information in reliance on a determination made by a public school about the confidentiality of information relating to the educational institution's expenditures or fund balances.

Sec. 7. To the extent that any information required to be in the data base established under this chapter is collected or maintained by a public school, the public school shall provide that information to the department for inclusion in the data base.

Sec. 8. The department may not charge a fee for access to the data base established under this chapter.

Sec. 9. Except as provided in section 10 of this chapter, a public school shall cooperate with and provide information to the department as necessary to implement and administer this chapter.

Sec. 10. This chapter does not require a public school or state agency to record information or expend resources for the purpose of computer programming to make information reportable under this chapter. This section does not waive requirements under any law that a prescribed form must be submitted electronically.

Sec. 11. The office of technology established by IC 4-13.1-2-1 shall work with the department to include on the Internet web site on which the data base is established under this chapter a link to the Internet web site of each Internet web site operated by:

- (1) the state; or
- (2) a public school.

Sec. 12. Each public school shall include on the public school's Internet web site a link to the Internet web site data base established under this chapter.

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Sec. 13. The department and the office of technology shall initially complete the design of the Internet web site data base established under this chapter and establish and post the information required under this chapter for all public schools.

Sec. 14. Not later than November 15, 2011, the department shall provide a report to the state board of finance and the legislative council on the progress the office has made to comply with this chapter. The report to the legislative council must be in an electronic format under IC 5-14-6.

Sec. 15. In order to comply with this chapter, the department may require that forms required to be submitted under this chapter be submitted in an electronic format.

SECTION 3. IC 20-18-2-2.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: **Sec. 2.1. (a)** For purposes of this title (except for IC 20-25 and IC 20-28-8.5), "administrator" refers to any of the following:

- (1) A superintendent.
- (2) An assistant superintendent.
- (3) A principal.
- (4) An assistant principal.

(b) For purposes of IC 20-25, "administrator" has the meaning set forth in IC 20-25-2-2.

(c) For purposes of IC 20-28-8.5, "administrator" has the meaning set forth in IC 20-28-8.5-1."

Delete page 2.

Page 3, delete lines 1 through 3.

Page 3, delete lines 13 through 42.

Delete pages 4 through 9.

Page 10, delete lines 1 through 18, begin a new paragraph and insert:

"SECTION 10. IC 20-28-8-13 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: **Sec. 13.** Whenever a governing body determines that a severance payment is appropriate for an individual to whom this chapter applies, the amount of state funding used in the severance payment may not exceed an amount equal to one (1) year's salary for the individual."

Page 10, line 24, delete "'school administrator'" and insert "'administrator'".

Page 10, line 30, delete "business official." and insert "corporation's chief financial officer."

Page 10, line 32, after "for" insert "an administrator's".

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Page 10, line 33, after "student" insert "**growth and**".

Page 10, delete line 36, begin a new line block indented and insert:

"(4) any other areas the governing body considers significant for the school corporation;

to the extent that an area is included in the administrator's duties."

Page 10, line 37, delete "school".

Page 10, line 38, delete "local school boards" and insert "**governing bodies**".

Page 10, line 39, delete "school".

Page 10, line 40, delete "criteria" and insert "**categories**".

Page 10, line 42, delete "local school board" and insert "**governing body**".

Page 11, line 1, delete "chapter subject" and insert "**chapter**".

Page 11, delete line 2.

Page 11, line 4, delete "school".

Page 11, line 8, delete "a school" and insert "**an**".

Page 11, line 15, after "compensation," insert "**under which the individual is entitled to receive not more than ninety-five percent (95%) of the individual's compensation automatically, with the remainder of**".

Page 11, line 15, delete "of which is".

Page 11, line 17, delete "criteria" and insert "**categories**".

Page 11, line 19, delete "business" and insert "**chief financial officer**".

Page 11, line 20, delete "official".

Page 11, line 20, after "compensation," insert "**under which the individual is entitled to receive not more than ninety-five percent (95%) of the individual's compensation automatically, with the remainder of**".

Page 11, line 21, delete "of which is".

Page 11, line 22, delete "criteria" and insert "**categories**".

Page 11, line 23, delete "2(4)" and insert "**2(3)**".

Page 11, line 25, after "for" delete "a school" and insert "**an**".

Page 11, between lines 29 and 30, begin a new paragraph and insert:

"SECTION 12. IC 34-30-2-14.8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS

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[EFFECTIVE JULY 1, 2011]: **Sec. 14.8. IC 5-14-3.7-6 (Concerning the department of education for posting certain confidential information).**".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1369 as reprinted February 16, 2011.)

KRUSE, Chairperson

Committee Vote: Yeas 8, Nays 2.

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