

# HOUSE BILL No. 1369

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 20-28-8.5; IC 20-43.

**Synopsis:** Pay to performance program for school administrators. 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) school administrator professional development. Creates the performance incentive grant to award school corporations that develop a state board approved pay to performance program and that meet the performance goals established by the department for school administrators. Allows for reduction in state tuition support to schools that do not meet the performance goals established by the department for school administrators.

**Effective:** July 1, 2011.

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January 18, 2011, read first time and referred to Committee on Education.

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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.

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## HOUSE BILL No. 1369



A BILL FOR AN ACT to amend the Indiana Code concerning education and to make an appropriation.

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

- 1 SECTION 1. IC 20-28-8.5 IS ADDED TO THE INDIANA CODE
- 2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
- 3 JULY 1, 2011]:
- 4 **Chapter 8.5. Pay to Performance Program for School**
- 5 **Administrators**
- 6 **Sec. 1. As used in this chapter, "school administrator" refers to**
- 7 **any of the following individuals employed by a school corporation:**
- 8 (1) **A superintendent.**
- 9 (2) **An assistant superintendent.**
- 10 (3) **A principal.**
- 11 (4) **A vice principal.**
- 12 (5) **A school business official.**
- 13 **Sec. 2. Each school corporation, in collaboration with the state**
- 14 **board, shall set goals for improvement in:**
- 15 (1) **student standardized test scores;**
- 16 (2) **student graduation rates;**
- 17 (3) **retention of students;**



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- (4) budget and fiscal performance; and
- (5) teacher professional development.

**Sec. 3. The state board shall adopt a model school administrator incentive pay program to be implemented by local school boards in awarding pay to performance incentives for school administrators based solely on the criteria listed in section 2 of this chapter.**

**Sec. 4. Each local school board shall recommend improvement goals in each of the categories listed in section 2 of this chapter for approval by the state board.**

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

**(b) If a collective bargaining agreement is in effect before July 1, 2011, for a school administrator of a school corporation, and if that collective bargaining agreement prevents compliance with subsection (a), subsection (a) does not apply to that school corporation until after the expiration of that collective bargaining agreement.**

**SECTION 2. IC 20-43-1-18.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 18.5. "Performance incentive grant" refers to a grant under IC 20-43-13.**

**SECTION 3. IC 20-43-1-22.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 22.5. "School administrator" has the meaning set forth in IC 20-28-8.5-1.**

**SECTION 4. IC 20-43-2-3, AS AMENDED BY P.L.182-2009(ss), SECTION 330, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 3. If the total amount to be distributed:**

- (1) as basic tuition support;
- (2) for academic honors diploma awards;
- (3) for primetime distributions;
- (4) for special education grants;
- (5) for career and technical education grants;

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1 (6) for restoration grants; ~~and~~  
 2 (7) for small school grants; **and**  
 3 **(8) for performance incentive grants;**  
 4 for a particular year exceeds the maximum state distribution for a  
 5 calendar year, the amount to be distributed for state tuition support  
 6 under this article to each school corporation during each of the last six  
 7 (6) months of the year shall be proportionately reduced so that the total  
 8 reductions equal the amount of the excess.

9 SECTION 5. IC 20-43-13 IS ADDED TO THE INDIANA CODE  
 10 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
 11 JULY 1, 2011]:

12 **Chapter 13. Performance Incentive Grants**

13 **Sec. 1. In calendar year 2013 and each calendar year thereafter,**  
 14 **if a school corporation has:**

- 15 (1) developed a state board approved pay to performance
- 16 program for school administrators; and
- 17 (2) achieved the agreed upon goals as described under
- 18 IC 20-28-8.5-2 for the school year ending in the immediately
- 19 preceding calendar year, as determined by the department;
- 20 the school corporation is entitled to a pay to performance incentive
- 21 grant.

22 **Sec. 2. The amount of the pay to performance incentive grant to**  
 23 **which a school corporation is entitled under section 1 of this**  
 24 **chapter in a calendar year is equal to:**

- 25 (1) the basic tuition support determined under IC 20-43-6-3
- 26 for the school corporation for that calendar year; multiplied
- 27 by
- 28 (2) twenty-five ten-thousandths (0.0025).

29 **If the amount of state tuition support distributed to a school**  
 30 **corporation is proportionately reduced under IC 20-43-2-3 for the**  
 31 **calendar year, the performance incentive grant receivable under**  
 32 **this section shall be calculated based on the reduced distribution of**  
 33 **basic tuition support.**

34 **Sec. 3. The department and a school corporation shall**  
 35 **separately account for a distribution made under section 2 of this**  
 36 **chapter.**

37 **Sec. 4. A distribution made under section 2 of this chapter may**  
 38 **be used only for the purpose of providing additional compensation**  
 39 **to the school corporation's school administrators.**

40 **Sec. 5. In calendar year 2013 and each calendar year thereafter,**  
 41 **if a school corporation does not meet the performance goals**  
 42 **established for the school corporation under IC 20-28-8.5 or if no**

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1 goals are agreed upon, for the school year ending in the  
2 immediately preceding calendar year, as determined by the  
3 department, the school corporation's state tuition support shall be  
4 reduced.

5 Sec. 6. The amount of the reduction required under section 5 of  
6 this chapter for a calendar year is equal to:

- 7 (1) the basic tuition support determined under IC 20-43-6-3
- 8 for the school corporation for that calendar year; multiplied
- 9 by
- 10 (2) twenty-five ten-thousandths (0.0025).

11 If the amount of state tuition support distributed to a school  
12 corporation is proportionately reduced under IC 20-43-2-3 for the  
13 calendar year, the amount by which state tuition support is  
14 reduced under this section shall be calculated based on the basic  
15 tuition support receivable by the school corporation after the  
16 reduction under IC 20-43-2-3.

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