



Reprinted
April 11, 2013

ENGROSSED SENATE BILL No. 338

DIGEST OF SB 338 (Updated April 10, 2013 2:39 pm - DI 51)

Citations Affected: IC 2-5; IC 12-7; IC 12-17.2; IC 20-18; IC 20-19; IC 20-20; IC 20-24; IC 20-30; IC 20-31.

Synopsis: Various education matters. Establishes the commission on education interim study committee. Provides that a school that is designated in the top two categories or designations of school improvement in the year immediately preceding a year in which the school's strategic and continuous school improvement plan (plan) initially goes into effect is not required to include certain achievement objectives or components in the school's plan. Provides that before a charter school authorizer may issue a charter to an organizer who has had its charter terminated or has been informed that its charter will not be renewed by the organizer's current authorizer, authorizer must request to have the proposal reviewed by the state board at a hearing. The state board shall conduct a hearing in which the authorizer must
(Continued next page)

Effective: Upon passage; July 1, 2013.

Kruse, Yoder

(HOUSE SPONSORS — BEHNING, PORTER, RHOADS, SMITH V)

January 8, 2013, read first time and referred to Committee on Education and Career Development.
February 21, 2013, amended, reported favorably — Do Pass.
February 25, 2013, read second time, ordered engrossed. Engrossed.
February 26, 2013, read third time, passed. Yeas 50, nays 0.
HOUSE ACTION
March 4, 2013, read first time and referred to Committee on Education.
April 8, 2013, amended, reported — Do Pass.
April 10, 2013, read second time, amended, ordered engrossed.

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present information indicating that the organizer's proposal is substantively different from the organizer's current proposal with its current authorizer. Requires the department of education to provide resources and guidance to school corporations concerning evidence-based practices and effective strategies to reduce absenteeism. Makes changes to the definition of: (1) chronic absenteeism; and (2) habitual truant. Requires school corporations and schools to identify contributing factors to absenteeism and to develop chronic absence reduction plans. Provides that a school corporation must include the number of students who are habitually truant in the school corporation's annual performance report. Provides that a school corporation's strategic and continuous school improvement plan must include objectives relating to the educational needs of students who are chronically absent or habitually truant from school. Makes conforming amendments. Establishes the paths to QUALITY program in the division of family resources for the purpose of rating the services provided by child care facilities, including early education services. Establishes the early learning advisory committee to evaluate various matters related to early education programs. Establishes the early education matching grant program and fund to provide matching grants to meet certain qualifications in the delivery of early education services to four year old children.

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April 11, 2013

First Regular Session 118th General Assembly (2013)

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 2012 Regular Session of the General Assembly.

ENGROSSED SENATE BILL No. 338

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 2-5-37.3 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]:

4 **Chapter 37.3. Commission on Education Study Committee**

5 **Sec. 1. As used in this chapter "commission" refers to the**
6 **commission on education established by section 2 of this chapter.**

7 **Sec. 2. The commission on education is established to study the**
8 **following:**

9 **(1) The development of definitions of excused and unexcused**
10 **absences from school.**

11 **(2) The effectiveness of voluntary agreements between school**
12 **corporations and courts having juvenile jurisdiction in**
13 **providing court supervised educational programs, alternative**
14 **programs, or diversion programs for students who are**
15 **habitually truant, suspended, or expelled from school,**
16 **including:**

17 **(A) the number and types of agreements and programs in**

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1 **Indiana;**
2 **(B) the effects of the programs on families and students;**
3 **and**
4 **(C) the success of the programs in reintegrating students**
5 **into the classroom.**
6 **(3) Evidence based practices and model programs for**
7 **reducing absenteeism and supporting student engagement and**
8 **achievement.**
9 **(4) The feasibility of modifying Temporary Assistance for**
10 **Needy Families (TANF) program eligibility for households to**
11 **include school attendance requirements for students.**
12 **(5) Any other issue related to student absenteeism.**
13 **Sec. 3. (a) The commission consists of the following voting**
14 **members:**
15 **(1) The members of the senate education and career**
16 **development committee.**
17 **(2) The members of the house of representatives education**
18 **committee.**
19 **(b) The chairperson of the senate education and career**
20 **development committee and the chairperson of the house of**
21 **representatives education committee shall serve as co-chairpersons**
22 **of the commission.**
23 **Sec. 4. The commission shall annually submit the commission's**
24 **final report to the legislative council in an electronic format under**
25 **IC 5-14-6 not later than December 1.**
26 **Sec. 5. The affirmative votes of a majority of the voting**
27 **members of the commission are required for the commission to**
28 **take action on any measure, including final reports.**
29 **Sec. 6. Each member of the commission who is a member of the**
30 **general assembly is entitled to receive the same per diem, mileage,**
31 **and travel allowances paid to legislative members of interim study**
32 **committees established by the legislative council. Per diem,**
33 **mileage, and travel allowances paid under this section shall be paid**
34 **from appropriations made to the legislative council or the**
35 **legislative services agency.**
36 **Sec. 7. The commission shall operate under the policies**
37 **governing study committees adopted by the legislative council.**
38 **Sec. 8. The legislative services agency shall staff the committee.**
39 **Sec. 9. This chapter expires January 1, 2015.**
40 **SECTION 2. IC 12-7-2-35, AS AMENDED BY P.L.229-2011,**
41 **SECTION 105, IS AMENDED TO READ AS FOLLOWS**
42 **[EFFECTIVE UPON PASSAGE]: Sec. 35. "Committee" means the**

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1 following:

2 (1) For purposes of IC 12-15-33, the meaning set forth in
3 IC 12-15-33-1.

4 (2) For purposes of IC 12-17.2-3.3, the meaning set forth in
5 IC 12-17.2-3.3-1.

6 **(3) For the purposes of IC 12-17.2-3.7, has the meaning set
7 forth in IC 12-17.2-3.7-1.**

8 SECTION 3. IC 12-7-2-75.7 IS ADDED TO THE INDIANA CODE
9 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE**
10 **UPON PASSAGE]: Sec. 75.7. "Eligible child", for purposes of**
11 **IC 12-17.2-3.7, has the meaning set forth in IC 12-17.2-3.7-2.**

12 SECTION 4. IC 12-7-2-76.2 IS ADDED TO THE INDIANA CODE
13 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE**
14 **UPON PASSAGE]: Sec. 76.2. "Eligible provider", for purposes of**
15 **IC 12-17.2-3.7, has the meaning set forth in IC 12-17.2-3.7-3.**

16 SECTION 5. IC 12-7-2-76.3 IS ADDED TO THE INDIANA CODE
17 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE**
18 **UPON PASSAGE]: Sec. 76.3. "Eligible services", for purposes of**
19 **IC 12-17.2-3.7, has the meaning set forth in IC 12-17.2-3.7-4.**

20 SECTION 6. IC 12-7-2-91, AS AMENDED BY P.L.130-2009,
21 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
22 UPON PASSAGE]: Sec. 91. "Fund" means the following:

23 (1) For purposes of IC 12-12-1-9, the fund described in
24 IC 12-12-1-9.

25 (2) For purposes of IC 12-15-20, the meaning set forth in
26 IC 12-15-20-1.

27 (3) For purposes of IC 12-17-12, the meaning set forth in
28 IC 12-17-12-4.

29 **(4) For purposes of IC 12-17.2-3.7, the meaning set forth in**
30 **IC 12-17.2-3.7-5.**

31 ~~(4)~~ **(5)** For purposes of IC 12-17.6, the meaning set forth in
32 IC 12-17.6-1-3.

33 ~~(5)~~ **(6)** For purposes of IC 12-23-2, the meaning set forth in
34 IC 12-23-2-1.

35 ~~(6)~~ **(7)** For purposes of IC 12-23-18, the meaning set forth in
36 IC 12-23-18-4.

37 ~~(7)~~ **(8)** For purposes of IC 12-24-6, the meaning set forth in
38 IC 12-24-6-1.

39 ~~(8)~~ **(9)** For purposes of IC 12-24-14, the meaning set forth in
40 IC 12-24-14-1.

41 ~~(9)~~ **(10)** For purposes of IC 12-30-7, the meaning set forth in
42 IC 12-30-7-3.



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1 SECTION 7. IC 12-7-2-93.7 IS ADDED TO THE INDIANA CODE
 2 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 3 UPON PASSAGE]: **Sec. 93.7. "Grant", for purposes of**
 4 **IC 12-17.2-5, has the meaning set forth in IC 12-17.2-3.7-6.**

5 SECTION 8. IC 12-7-2-135.8 IS ADDED TO THE INDIANA
 6 CODE AS A NEW SECTION TO READ AS FOLLOWS
 7 [EFFECTIVE UPON PASSAGE]: **Sec. 135.8. "Paths to QUALITY**
 8 **program", for purposes of IC 12-17.2-2-14 and IC 12-17.2-3.7,**
 9 **refers to the paths to QUALITY program described in**
 10 **IC 12-17-2-14.**

11 SECTION 9. IC 12-7-2-146, AS AMENDED BY P.L.110-2010,
 12 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 UPON PASSAGE]: Sec. 146. "Program" refers to the following:

14 (1) For purposes of IC 12-8-12.5, the meaning set forth in
 15 IC 12-8-12.5-1.

16 (2) For purposes of IC 12-10-7, the adult guardianship services
 17 program established by IC 12-10-7-5.

18 (3) For purposes of IC 12-10-10, the meaning set forth in
 19 IC 12-10-10-5.

20 (4) For purposes of IC 12-17.2-2-14, the meaning set forth in
 21 IC 12-17.2-2-14.

22 (5) For purposes of IC 12-17.2-3.7, the meaning set forth in
 23 IC 12-17.2-3.7-7.

24 (4) (6) For purposes of IC 12-17.6, the meaning set forth in
 25 IC 12-17.6-1-5.

26 SECTION 10. IC 12-17.2-2-14 IS ADDED TO THE INDIANA
 27 CODE AS A NEW SECTION TO READ AS FOLLOWS
 28 [EFFECTIVE UPON PASSAGE]: **Sec. 14. (a) As used in this section,**
 29 **"program" refers to the paths to QUALITY program established**
 30 **by subsection (b).**

31 (b) The paths to QUALITY program is established. The
 32 program is a voluntary child care facility quality rating and
 33 improvement system implemented by the division in partnership
 34 with the following organizations under the trademark "Paths to
 35 QUALITY":

36 (1) Indiana Association for the Education of Young Children.

37 (2) Indiana Association for Child Care Resource and Referral.

38 (3) Indiana Head Start Collaboration Office.

39 (4) Department of education established by IC 20-19-3-1.

40 (5) Early Childhood Alliance.

41 (6) 4 C's of Southern Indiana.

42 (c) The program shall use four (4) levels at which a child care

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1 facility participating in the program may be rated, with level 4
2 indicating the highest level of quality child care.

3 (d) The office of the secretary shall adopt rules under IC 4-22-2
4 to administer the paths to QUALITY program rating system. The
5 rules must include procedures that outline eligibility and
6 application procedures for the program, the establishment of
7 procedures relating to the rating process, and the establishment or
8 alteration of standards used in the rating process.

9 (e) The office of the secretary shall adopt rules under IC 4-22-2
10 to establish the steering council of the program to make
11 recommendations to the division on program issues and resources.
12 Rules adopted under this subsection must require that council
13 members be appointed from partner organizations that assist in
14 the implementation of the program and serve to coordinate the
15 program plan.

16 SECTION 11. IC 12-17.2-3.7 IS ADDED TO THE INDIANA
17 CODE AS A NEW CHAPTER TO READ AS FOLLOWS
18 [EFFECTIVE UPON PASSAGE]:

19 **Chapter 3.7. Early Learning Advisory Committee; Early**
20 **Education Matching Grant Program**

21 **Sec. 1. As used in this chapter, "committee" refers to the early**
22 **learning advisory committee established by section 8 of this**
23 **chapter.**

24 **Sec. 2. As used in this chapter, "eligible child" refers to a child**
25 **who qualifies as an eligible child under section 15 of this chapter.**

26 **Sec. 3. As used in this chapter, "eligible provider" refers to an**
27 **entity that qualifies as an eligible provider under section 16 of this**
28 **chapter.**

29 **Sec. 4. As used in this chapter, "eligible services" refers to a**
30 **program of early education services that meets the standards of**
31 **quality recognized by a Level 3 or Level 4 paths to QUALITY**
32 **program rating.**

33 **Sec. 5. As used in this chapter, "fund" refers to the early**
34 **education matching grant program fund established by section 11**
35 **of this chapter.**

36 **Sec. 6. As used in this chapter, "grant" refers to a matching**
37 **grant from the fund.**

38 **Sec. 7. As used in this chapter, "program" refers to the early**
39 **education matching grant program established by this chapter.**

40 **Sec. 8. (a) The early learning advisory committee is established.**

41 **(b) The committee consists of six (6) members appointed by the**
42 **governor as follows:**

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- 1 (1) A representative of the department of education.
 2 (2) A representative of the division.
 3 (3) A representative of a Head Start program under 42 U.S.C.
 4 9831 et seq.
 5 (4) A representative of a family advocacy group that has an
 6 interest in early childhood education.
 7 (5) An early childhood education provider.
 8 (6) A representative of business with an interest in early
 9 childhood education.
 10 (c) The governor shall appoint the chairperson of the committee.
 11 (d) The division shall staff the committee.
 12 (e) The expenses of the committee shall be paid from the funds
 13 of the division.
 14 (f) Each member of the committee who is not a state employee
 15 is entitled to the minimum salary per diem provided by
 16 IC 4-10-11-2.1(b). The member is also entitled to reimbursement
 17 for traveling expenses as provided under IC 4-13-1-4 and other
 18 expenses actually incurred in connection with the member's duties
 19 as provided in the state policies and procedures established by the
 20 Indiana department of administration and approved by the budget
 21 agency.
 22 (g) Each member of the committee who is a state employee but
 23 who is not a member of the general assembly is entitled to
 24 reimbursement for traveling expenses as provided under
 25 IC 4-13-1-4 and other expenses actually incurred in connection
 26 with the member's duties as provided in the state policies and
 27 procedures established by the Indiana department of
 28 administration and approved by the budget agency.
 29 (h) Each member of the committee who is a member of the
 30 general assembly is entitled to receive the same per diem, mileage,
 31 and travel allowances paid to legislative members of interim study
 32 committees established by the legislative council. Per diem,
 33 mileage, and travel allowances paid under this section shall be paid
 34 from appropriations made to the legislative council or the
 35 legislative services agency.
 36 (i) The affirmative votes of a majority of the voting members
 37 appointed to the committee are required for the committee to take
 38 action on any measure, including final reports.
 39 Sec. 9. (a) The committee shall do the following:
 40 (1) Conduct periodic statewide needs assessments concerning
 41 the quality and availability of early education programs for
 42 children from birth to the age of school entry, including the

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1 availability of high quality prekindergarten education for low
2 income children in Indiana.

3 (2) Identify opportunities for, and barriers to, collaboration
4 and coordination among federally and state funded child
5 development, child care, and early childhood education
6 programs and services, including governmental agencies that
7 administer the programs and services.

8 (3) Assess the capacity and effectiveness of two (2) and four

9 (4) year public and private higher education institutions in
10 Indiana for the support of development of early educators,
11 including:

12 (A) professional development and career advancement
13 plans; and

14 (B) practice or internships with Head Start or
15 prekindergarten programs.

16 (4) Recommend to the division procedures, policies, and
17 eligibility criteria for the program.

18 (5) Other duties as determined necessary by the chairperson
19 of the committee.

20 (b) Not later than June 30 of each year, the committee shall
21 develop and make recommendations to the governor and, in an
22 electronic format under IC 5-14-6, to the legislative council
23 concerning the results of the committee's work under this section.

24 Sec. 10. The division shall administer an early education
25 matching grant program in compliance with this chapter. The
26 division may establish procedures, forms, and standards to carry
27 out this chapter. The office of the secretary may adopt rules under
28 IC 4-22-2 to carry out this chapter.

29 Sec. 11. (a) The early education matching grant program fund
30 is established for the purpose of providing matching grants to
31 providers of eligible services. The fund shall be administered by the
32 division.

33 (b) The fund consists of the following:

34 (1) Appropriations by the general assembly.

35 (2) Grants and gifts that the state receives for the fund under
36 terms, obligations, and liabilities that the division considers
37 appropriate.

38 (c) The treasurer of state shall invest the money in the fund not
39 currently needed to meet the obligations of the fund in the same
40 manner as other public money may be invested. Interest that
41 accrues from these investments shall be deposited in the fund.

42 (d) Money in the fund at the end of a state fiscal year does not

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1 revert to the state general fund. The fund is a trust fund and may
2 not be transferred to another fund under IC 4-9.1-1-7.

3 Sec. 12. The division shall establish an application process for
4 grants from the fund.

5 Sec. 13. The division may award a grant from the fund to an
6 applicant that:

7 (1) agrees to operate as an eligible provider;

8 (2) either:

9 (A) has obtained a matching gift or grant; or

10 (B) has a commitment for a matching gift or grant;

11 from any combination of foundations, other nonprofit entities,
12 individuals, or for-profit entities for the purposes of the
13 applicant's program of eligible services;

14 (3) provides the division with a plan for use of the grant and
15 any related matching funds that demonstrates to the
16 satisfaction of the division that use of the grant and related
17 matching funds will increase the number of eligible children
18 receiving eligible services;

19 (4) enters into a written agreement with the division
20 concerning the delivery of eligible services and the use of a
21 grant provided under this chapter, which incorporates the
22 plan approved by the division under subdivision (3); and

23 (5) provides to the division any other information that the
24 division determines necessary or appropriate for the grant.

25 Sec. 14. Foundations, nonprofit entities, individuals, and
26 for-profit entities may contribute an amount to the fund:

27 (1) for the purposes of providing a matching gift or grant
28 described in section 13(2) of this chapter; or

29 (2) as unrestricted funds.

30 Sec. 15. To qualify as an eligible child, the child must be:

31 (1) a member of a household with an annual income that does
32 not exceed one hundred eighty-five percent (185%) of the
33 federal poverty level;

34 (2) at least four (4) years of age and less than five (5) years of
35 age when the child receives eligible services; and

36 (3) a resident of Indiana or otherwise have legal settlement in
37 Indiana, as determined under IC 20-26-11.

38 Sec. 16. To qualify as an eligible provider, an applicant must:

39 (1) be an entity other than an individual;

40 (2) provide eligible services to individuals for at least one
41 hundred eighty (180) days per year;

42 (3) administer the kindergarten readiness assessment

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1 (ISTAR-KR) adopted by the department of education to
 2 children receiving eligible services as required by the division;
 3 (4) include a parental involvement component in the delivery
 4 of eligible services that is based on the requirements and
 5 guidelines established by the division;
 6 (5) comply with the agreement with the division concerning
 7 the delivery of eligible services and the use of a grant
 8 provided under this chapter; and
 9 (6) comply with any other standards and procedures
 10 established under this chapter.

11 Sec. 17. The division shall monitor for compliance of a recipient
 12 of a grant with the terms of the grant.

13 Sec. 18. (a) The division shall monitor the educational outcomes
 14 resulting from the delivery of eligible services by eligible providers
 15 that receive a grant under this chapter over the period established
 16 by the division to evaluate the contribution eligible services makes
 17 toward improved education outcomes.

18 (b) The division shall provide the department of education with
 19 information necessary for the department of education to assign a
 20 child who receives early education services from a provider that
 21 participates in the program under this chapter a student testing
 22 number. Upon receipt of the information, the department of
 23 education shall assign the child a student testing number to track
 24 the child's educational growth and development.

25 (c) The department of education shall cooperate with the
 26 division as necessary or appropriate to assist the division to carry
 27 out this section, including the sharing of information related to the
 28 educational outcomes assigned a student testing number under
 29 subsection (b) to the extent permitted by the laws governing the
 30 disclosure of student information.

31 (d) Beginning in 2015, the division shall annually provide the
 32 committee, the governor, and (in an electronic format under
 33 IC 5-14-6) the legislative council a report of the findings of the
 34 division under this section in a form that complies with all laws
 35 governing the disclosure of student information.

36 SECTION 12. IC 20-18-2-2.6 IS ADDED TO THE INDIANA
 37 CODE AS A NEW SECTION TO READ AS FOLLOWS
 38 [EFFECTIVE JULY 1, 2013]: Sec. 2.6. "Chronic absenteeism" has
 39 the meaning set forth in IC 20-20-8-8.

40 SECTION 13. IC 20-18-2-6.5 IS ADDED TO THE INDIANA
 41 CODE AS A NEW SECTION TO READ AS FOLLOWS
 42 [EFFECTIVE JULY 1, 2013]: Sec. 6.5. "Habitual truant" has the



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1 **meaning set forth in IC 20-33-2-11.**

2 SECTION 14. IC 20-19-3-12.2 IS ADDED TO THE INDIANA
3 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
4 [EFFECTIVE JULY 1, 2013]: **Sec. 12.2. (a) The department shall**
5 **make reduction of absenteeism in schools a policy priority and**
6 **direct school corporations and schools to:**

7 **(1) identify contributing factors of absenteeism; and**

8 **(2) develop chronic absence reduction plans to include as a**
9 **component of the school improvement plans required under**
10 **IC 20-31-5.**

11 **(b) The department shall provide resources and guidance to**
12 **school corporations concerning evidence based practices and**
13 **effective strategies that reduce absenteeism in schools.**

14 SECTION 15. IC 20-20-8-8, AS AMENDED BY P.L.3-2008,
15 SECTION 115, IS AMENDED TO READ AS FOLLOWS
16 [EFFECTIVE JULY 1, 2013]: Sec. 8. The report must include the
17 following information:

18 (1) Student enrollment.

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

20 (3) Attendance rate.

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

23 (A) ISTEP program test scores.

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

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

28 (5) Average class size.

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

31 (A) Alternative education, if offered.

32 (B) Career and technical education.

33 (C) Special education.

34 (D) High ability.

35 (E) Remediation.

36 (F) Limited English language proficiency.

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

39 (H) School flex program, if offered.

40 (7) Advanced placement, including the following:

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

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

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- 1 (ii) taking the test.
- 2 (B) For the Scholastic Aptitude Test:
- 3 (i) test scores for all students taking the test;
- 4 (ii) test scores for students completing the academic honors
- 5 diploma program; and
- 6 (iii) the percentage of students taking the test.
- 7 (8) Course completion, including the number and percentage of
- 8 students completing the following programs:
- 9 (A) Academic honors diploma.
- 10 (B) Core 40 curriculum.
- 11 (C) Career and technical programs.
- 12 (9) The percentage of grade 8 students enrolled in algebra I.
- 13 (10) The percentage of graduates who pursue higher education.
- 14 (11) School safety, including:
- 15 (A) the number of students receiving suspension or expulsion
- 16 for the possession of alcohol, drugs, or weapons; and
- 17 (B) the number of incidents reported under IC 20-33-9.
- 18 (12) Financial information and various school cost factors,
- 19 including the following:
- 20 (A) Expenditures per pupil.
- 21 (B) Average teacher salary.
- 22 (C) Remediation funding.
- 23 (13) Technology accessibility and use of technology in
- 24 instruction.
- 25 (14) Interdistrict and intradistrict student mobility rates, if that
- 26 information is available.
- 27 (15) The number and percentage of each of the following within
- 28 the school corporation:
- 29 (A) Teachers who are certificated employees (as defined in
- 30 IC 20-29-2-4).
- 31 (B) Teachers who teach the subject area for which the teacher
- 32 is certified and holds a license.
- 33 (C) Teachers with national board certification.
- 34 (16) The percentage of grade 3 students reading at grade 3 level.
- 35 (17) The number of students expelled, including the number
- 36 participating in other recognized education programs during their
- 37 expulsion.
- 38 (18) Chronic absenteeism, which includes the number of students
- 39 who have been absent ~~more than ten (10) days~~ from school ~~within~~
- 40 **a for ten percent (10%) or more of a school year for any**
- 41 **reason. without being excused.**
- 42 (19) **Habitual truancy, which includes the number of students**

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1 **who have been absent ten (10) days or more from school**
 2 **within a school year without being excused or without being**
 3 **absent under a parental request that has been filed with the**
 4 **school.**

5 ~~(19)~~ **(20)** The number of students who have dropped out of
 6 school, including the reasons for dropping out.

7 ~~(20)~~ **(21)** The number of student work permits revoked.

8 ~~(21)~~ **(22)** The number of student driver's licenses revoked.

9 ~~(22)~~ **(23)** The number of students who have not advanced to grade
 10 10 due to a lack of completed credits.

11 ~~(23)~~ **(24)** The number of students suspended for any reason.

12 ~~(24)~~ **(25)** The number of students receiving an international
 13 baccalaureate diploma.

14 ~~(25)~~ **(26)** Other indicators of performance as recommended by the
 15 education roundtable under IC 20-19-4.

16 SECTION 16. IC 20-24-4-1.5 IS ADDED TO THE INDIANA
 17 CODE AS A **NEW SECTION TO READ AS FOLLOWS**
 18 **[EFFECTIVE UPON PASSAGE]: Sec. 1.5. (a) Before an authorizer**
 19 **may issue a charter to an organizer that has had its charter**
 20 **terminated or has been informed that its charter will not be**
 21 **renewed by the organizer's current authorizer, the authorizer must**
 22 **request to have the proposal reviewed by the state board at a**
 23 **hearing. The state board shall conduct a hearing in which the**
 24 **authorizer must present information indicating that the organizer's**
 25 **proposal is substantively different from the organizer's current**
 26 **proposal with its current authorizer.**

27 **(b) After the state board conducts a hearing under subsection**
 28 **(a), the state board shall either approve or deny the proposal. If the**
 29 **proposal is denied by the state board, the authorizer may not issue**
 30 **a charter to the organizer.**

31 SECTION 17. IC 20-30-2-2.2, AS ADDED BY P.L.242-2005,
 32 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JULY 1, 2013]: Sec. 2.2. (a) As used in this section, "eligible student"
 34 means a student in grade 11 or 12 who has:

35 (1) failed the ISTEP+ graduation exam at least twice;

36 (2) been determined to be chronically absent, by missing **more**
 37 **than ten (10) unexcused days of school in one (1) ten percent**
 38 **(10%) or more of a school year for any reason;**

39 (3) been determined to be a habitual truant, as identified under
 40 IC 20-33-2-11;

41 (4) been significantly behind in credits for graduation, as
 42 identified by an individual's school principal;



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1 (5) previously undergone at least a second suspension from school
2 for the school year under IC 20-33-8-14 or IC 20-33-8-15;

3 (6) previously undergone an expulsion from school under
4 IC 20-33-8-14, IC 20-33-8-15, or IC 20-33-8-16; or

5 (7) been determined by the individual's principal and the
6 individual's parent or guardian to benefit by participating in the
7 school flex program.

8 (b) An eligible student who participates in a school flex program
9 must:

10 (1) attend school for at least three (3) hours of instructional time
11 per school day;

12 (2) pursue a timely graduation;

13 (3) provide evidence of college or technical career education
14 enrollment and attendance or proof of employment and labor that
15 is aligned with the student's career academic sequence under rules
16 established by the Indiana bureau of child labor;

17 (4) not be suspended or expelled while participating in a school
18 flex program;

19 (5) pursue course and credit requirements for a general diploma;
20 and

21 (6) maintain a ninety-five percent (95%) attendance rate.

22 (c) A school may allow an eligible student in grade 11 or 12 to
23 complete an instructional day that consists of three (3) hours of
24 instructional time if the student participates in the school flex program.

25 (d) If one (1) or more students participate in a school flex program,
26 the principal shall, on forms provided by the department, submit a
27 yearly report to the department of student participation and graduation
28 rates of students who participate in the school flex program.

29 SECTION 18. IC 20-31-5-4, AS ADDED BY P.L.1-2005,
30 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
31 JULY 1, 2013]: Sec. 4. (a) A plan must:

32 (1) state objectives for a three (3) year period; and

33 (2) be annually reviewed and revised to accomplish the
34 achievement objectives of the school.

35 (b) A plan must establish objectives for the school to achieve.

36 (c) **This subsection does not apply to a school that is designated**
37 **in the top two (2) categories or designations of school improvement**
38 **under IC 20-31-8-4 in the year immediately preceding the year in**
39 **which the school's initial plan is implemented.** These achievement
40 objectives must be consistent with academic standards and include
41 improvement in at least the following areas:

42 (1) Attendance rate, as set forth in the plan developed under



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1 **IC 20-19-3-12.2.**

2 **(2) The educational needs of students who have been**
 3 **identified to be chronically absent or habitually truant from**
 4 **school.**

5 ~~(2)~~ **(3)** The percentage of students meeting academic standards
 6 under the ISTEP program (IC 20-31-3 and IC 20-32-5).

7 ~~(3)~~ **(4)** For a secondary school, graduation rate.

8 ~~(4)~~ **(d)** A plan must address the learning needs of all students,
 9 including programs and services for exceptional learners.

10 ~~(5)~~ **(e)** A plan must specify how and to what extent the school
 11 expects to make continuous improvement in all areas of the education
 12 system where results are measured by setting benchmarks for progress
 13 on an individual school basis.

14 ~~(6)~~ **(f)** A plan must note specific areas where improvement is needed
 15 immediately.

16 SECTION 19. IC 20-31-5-6, AS AMENDED BY P.L.66-2009,
 17 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 JULY 1, 2013]: Sec. 6. (a) **This section does not apply to a school**
 19 **that is designated in the top two (2) categories or designations of**
 20 **school improvement under IC 20-31-8-4 in the year immediately**
 21 **preceding the year in which the school's initial plan is**
 22 **implemented.** A plan must contain the following components for the
 23 school:

24 (1) A list of the statutes and rules that the school wishes to have
 25 suspended from operation for the school.

26 (2) A description of the curriculum and information concerning
 27 the location of a copy of the curriculum that is available for
 28 inspection by members of the public.

29 (3) A description and name of the assessments that will be used
 30 in the school in addition to ISTEP program assessments.

31 (4) A plan to be submitted to the governing body and made
 32 available to all interested members of the public in an easily
 33 understood format.

34 (5) A provision to maximize parental participation in the school,
 35 which may include providing parents with:

36 (A) access to learning aids to assist students with school work
 37 at home;

38 (B) information on home study techniques; and

39 (C) access to school resources.

40 (6) For a secondary school, a provision to do the following:

41 (A) Offer courses that allow all students to become eligible to
 42 receive an academic honors diploma.

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- 1 (B) Encourage all students to earn an academic honors
- 2 diploma or complete the Core 40 curriculum.
- 3 (7) A provision to maintain a safe and disciplined learning
- 4 environment for students and teachers that complies with the
- 5 governing body's plan for improving student behavior and
- 6 discipline developed under IC 20-26-5-32.
- 7 (8) A provision for the coordination of technology initiatives and
- 8 ongoing professional development activities.
- 9 (b) If, for a purpose other than a plan under this chapter, a school
- 10 has developed materials that are substantially similar to a component
- 11 listed in subsection (a), the school may substitute those materials for
- 12 the component listed in subsection (a).
- 13 **SECTION 20. An emergency is declared for this act.**

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COMMITTEE REPORT

Madam President: The Senate Committee on Education and Career Development, to which was referred Senate Bill No. 338, 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:

Page 1, line 11, after "12." insert "**(a)**".

Page 1, line 15, delete "." and insert "**to include as a component of the school improvement plans required under IC 20-31-5.**

(b) The department shall provide resources and guidance to school corporations concerning evidence based practices and effective strategies that reduce absenteeism in schools."

Page 3, line 29, delete "." and insert "**or without being absent under a parental request that has been filed with the school."**

Page 3, delete lines 41 through 42.

Page 4, delete lines 1 through 7.

Page 5, line 15, delete "." and insert ", **as set forth in the plan developed under IC 20-19-3-12."**

Page 5, delete lines 30 through 42, begin a new paragraph and insert:

"SECTION 7. [EFFECTIVE UPON PASSAGE] (a) The legislative council is requested to establish a study committee on education matters during the 2013 legislative interim to study the following issues:

(1) The development of definitions of excused and unexcused absences from school.

(2) The effectiveness of voluntary agreements between school corporations and courts having juvenile jurisdiction in providing court supervised educational programs, alternative programs, or diversion programs for students who are habitually truant, suspended, or expelled from school, including:

(A) the number and types of agreements and programs in Indiana;

(B) the effects of the programs on families and students; and

(C) the success of the programs in reintegrating students into the classroom.

(3) Evidence based practices and model programs for reducing absenteeism and supporting student engagement and achievement.

(4) Any other issue related to student absenteeism.



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(b) This SECTION expires November 1, 2013.
SECTION 8. An emergency is declared for this act."
Delete pages 6 through 12.
Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 338 as introduced.)

KRUSE, Chairperson

Committee Vote: Yeas 12, Nays 0.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred Senate Bill 338, 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 2-5-37.3 IS ADDED TO THE INDIANA CODE AS A **NEW CHAPTER** TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 37.3. Commission on Education Study Committee

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

Sec. 2. The commission on education is established to study the following:

- (1) The development of definitions of excused and unexcused absences from school.**
- (2) The effectiveness of voluntary agreements between school corporations and courts having juvenile jurisdiction in providing court supervised educational programs, alternative programs, or diversion programs for students who are habitually truant, suspended, or expelled from school, including:**
 - (A) the number and types of agreements and programs in Indiana;**
 - (B) the effects of the programs on families and students;**
 - and**
 - (C) the success of the programs in reintegrating students into the classroom.**



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(3) Evidence based practices and model programs for reducing absenteeism and supporting student engagement and achievement.

(4) The feasibility of modifying Temporary Assistance for Needy Families (TANF) program eligibility for households to include school attendance requirements for students.

(5) Any other issue related to student absenteeism.

Sec. 3. (a) The commission consists of the following voting members:

(1) The members of the senate education and career development committee.

(2) The members of the house of representatives education committee.

(b) The chairperson of the senate education and career development committee and the chairperson of the house of representatives education committee shall serve as co-chairpersons of the commission.

Sec. 4. The commission shall annually submit the commission's final report to the legislative council in an electronic format under IC 5-14-6 not later than December 1.

Sec. 5. The affirmative votes of a majority of the voting members of the commission are required for the commission to take action on any measure, including final reports.

Sec. 6. Each member of the commission who is a member of the general assembly is entitled to receive the same per diem, mileage, and travel allowances paid to legislative members of interim study committees established by the legislative council. Per diem, mileage, and travel allowances paid under this section shall be paid from appropriations made to the legislative council or the legislative services agency.

Sec. 7. The commission shall operate under the policies governing study committees adopted by the legislative council.

Sec. 8. The legislative services agency shall staff the committee.

Sec. 9. This chapter expires January 1, 2015."

Page 1, line 1, delete "IC 20-18-2-2.7" and insert "IC 20-18-2-2.6".

Page 1, line 3, delete "2.7." and insert "2.6".

Page 1, line 9, delete "IC 20-19-3-12" and insert "IC 20-19-3-12.2".

Page 1, line 11, delete "12." and insert "12.2".

Page 4, between lines 5 and 6, begin a new paragraph and insert:

"SECTION 5. IC 20-24-4-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.5. (a) Before an authorizer

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may issue a charter to an organizer that has had its charter terminated or has been informed that its charter will not be renewed by the organizer's current authorizer, the authorizer must request to have the proposal reviewed by the state board at a hearing. The state board shall conduct a hearing in which the authorizer must present information indicating that the organizer's proposal is substantively different from the organizer's current proposal with its current authorizer.

(b) After the state board conducts a hearing under subsection (a), the state board shall either approve or deny the proposal. If the proposal is denied by the state board, the authorizer may not issue a charter to the organizer."

Page 5, delete lines 4 through 42, begin a new paragraph and insert:
"SECTION 6. IC 20-31-5-4, AS ADDED BY P.L. 1-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 4. (a) A plan must:

- (1) state objectives for a three (3) year period; and
- (2) be annually reviewed and revised to accomplish the achievement objectives of the school.

(b) A plan must establish objectives for the school to achieve.

(c) **This subsection does not apply to a school that is designated in the top two (2) categories or designations of school improvement under IC 20-31-8-4 in the year immediately preceding the year in which the school's initial plan is implemented.** These achievement objectives must be consistent with academic standards and include improvement in at least the following areas:

- (1) Attendance rate, **as set forth in the plan developed under IC 20-19-3-12.2.**
- (2) **The educational needs of students who have been identified to be chronically absent or habitually truant from school.**
- ~~(2)~~ (3) The percentage of students meeting academic standards under the ISTEP program (IC 20-31-3 and IC 20-32-5).
- ~~(3)~~ (4) For a secondary school, graduation rate.

~~(c)~~ (d) A plan must address the learning needs of all students, including programs and services for exceptional learners.

~~(d)~~ (e) A plan must specify how and to what extent the school expects to make continuous improvement in all areas of the education system where results are measured by setting benchmarks for progress on an individual school basis.

~~(e)~~ (f) A plan must note specific areas where improvement is needed immediately.



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SECTION 7. IC 20-31-5-6, AS AMENDED BY P.L.66-2009, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 6. (a) **This section does not apply to a school that is designated in the top two (2) categories or designations of school improvement under IC 20-31-8-4 in the year immediately preceding the year in which the school's initial plan is implemented.** A plan must contain the following components for the school:

- (1) A list of the statutes and rules that the school wishes to have suspended from operation for the school.
 - (2) A description of the curriculum and information concerning the location of a copy of the curriculum that is available for inspection by members of the public.
 - (3) A description and name of the assessments that will be used in the school in addition to ISTEP program assessments.
 - (4) A plan to be submitted to the governing body and made available to all interested members of the public in an easily understood format.
 - (5) A provision to maximize parental participation in the school, which may include providing parents with:
 - (A) access to learning aids to assist students with school work at home;
 - (B) information on home study techniques; and
 - (C) access to school resources.
 - (6) For a secondary school, a provision to do the following:
 - (A) Offer courses that allow all students to become eligible to receive an academic honors diploma.
 - (B) Encourage all students to earn an academic honors diploma or complete the Core 40 curriculum.
 - (7) A provision to maintain a safe and disciplined learning environment for students and teachers that complies with the governing body's plan for improving student behavior and discipline developed under IC 20-26-5-32.
 - (8) A provision for the coordination of technology initiatives and ongoing professional development activities.
- (b) If, for a purpose other than a plan under this chapter, a school has developed materials that are substantially similar to a component listed in subsection (a), the school may substitute those materials for the component listed in subsection (a)."

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Page 6, delete lines 1 through 9.
Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 338 as printed February 22, 2013.)

BEHNING, Chair

Committee Vote: yeas 6, nays 2.

HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 338 be amended to read as follows:

Page 2, between lines 39 and 40, begin a new paragraph and insert:
"SECTION 2. IC 12-7-2-35, AS AMENDED BY P.L.229-2011, SECTION 105, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 35. "Committee" means the following:

- (1) For purposes of IC 12-15-33, the meaning set forth in IC 12-15-33-1.
- (2) For purposes of IC 12-17.2-3.3, the meaning set forth in IC 12-17.2-3.3-1.
- (3) For the purposes of IC 12-17.2-3.7, has the meaning set forth in IC 12-17.2-3.7-1.**

SECTION 3. IC 12-7-2-75.7 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 75.7. "Eligible child", for purposes of IC 12-17.2-3.7, has the meaning set forth in IC 12-17.2-3.7-2.**

SECTION 4. IC 12-7-2-76.2 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 76.2. "Eligible provider", for purposes of IC 12-17.2-3.7, has the meaning set forth in IC 12-17.2-3.7-3.**

SECTION 5. IC 12-7-2-76.3 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 76.3. "Eligible services", for purposes of IC 12-17.2-3.7, has the meaning set forth in IC 12-17.2-3.7-4.**

SECTION 6. IC 12-7-2-91, AS AMENDED BY P.L.130-2009, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 91. "Fund" means the following:

- (1) For purposes of IC 12-12-1-9, the fund described in IC 12-12-1-9.

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(2) For purposes of IC 12-15-20, the meaning set forth in IC 12-15-20-1.

(3) For purposes of IC 12-17-12, the meaning set forth in IC 12-17-12-4.

(4) For purposes of IC 12-17.2-3.7, the meaning set forth in IC 12-17.2-3.7-5.

(4) (5) For purposes of IC 12-17.6, the meaning set forth in IC 12-17.6-1-3.

(5) (6) For purposes of IC 12-23-2, the meaning set forth in IC 12-23-2-1.

(6) (7) For purposes of IC 12-23-18, the meaning set forth in IC 12-23-18-4.

(7) (8) For purposes of IC 12-24-6, the meaning set forth in IC 12-24-6-1.

(8) (9) For purposes of IC 12-24-14, the meaning set forth in IC 12-24-14-1.

(9) (10) For purposes of IC 12-30-7, the meaning set forth in IC 12-30-7-3.

SECTION 7. IC 12-7-2-93.7 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 93.7. "Grant", for purposes of IC 12-17.2-5, has the meaning set forth in IC 12-17.2-3.7-6.**

SECTION 8. IC 12-7-2-135.8 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 135.8. "Paths to QUALITY program", for purposes of IC 12-17.2-2-14 and IC 12-17.2-3.7, refers to the paths to QUALITY program described in IC 12-17-2-14.**

SECTION 9. IC 12-7-2-146, AS AMENDED BY P.L.110-2010, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 146. "Program" refers to the following:

(1) For purposes of IC 12-8-12.5, the meaning set forth in IC 12-8-12.5-1.

(2) For purposes of IC 12-10-7, the adult guardianship services program established by IC 12-10-7-5.

(3) For purposes of IC 12-10-10, the meaning set forth in IC 12-10-10-5.

(4) For purposes of IC 12-17.2-2-14, the meaning set forth in IC 12-17.2-2-14.

(5) For purposes of IC 12-17.2-3.7, the meaning set forth in IC 12-17.2-3.7-7.

(4) (6) For purposes of IC 12-17.6, the meaning set forth in

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IC 12-17.6-1-5.

SECTION 10. IC 12-17.2-2-14 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 14. (a) As used in this section, "program" refers to the paths to QUALITY program established by subsection (b).**

(b) The paths to QUALITY program is established. The program is a voluntary child care facility quality rating and improvement system implemented by the division in partnership with the following organizations under the trademark "Paths to QUALITY":

- (1) Indiana Association for the Education of Young Children.**
- (2) Indiana Association for Child Care Resource and Referral.**
- (3) Indiana Head Start Collaboration Office.**
- (4) Department of education established by IC 20-19-3-1.**
- (5) Early Childhood Alliance.**
- (6) 4 C's of Southern Indiana.**

(c) The program shall use four (4) levels at which a child care facility participating in the program may be rated, with level 4 indicating the highest level of quality child care.

(d) The office of the secretary shall adopt rules under IC 4-22-2 to administer the paths to QUALITY program rating system. The rules must include procedures that outline eligibility and application procedures for the program, the establishment of procedures relating to the rating process, and the establishment or alteration of standards used in the rating process.

(e) The office of the secretary shall adopt rules under IC 4-22-2 to establish the steering council of the program to make recommendations to the division on program issues and resources. Rules adopted under this subsection must require that council members be appointed from partner organizations that assist in the implementation of the program and serve to coordinate the program plan.

SECTION 11. IC 12-17.2-3.7 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 3.7. Early Learning Advisory Committee; Early Education Matching Grant Program

Sec. 1. As used in this chapter, "committee" refers to the early learning advisory committee established by section 8 of this chapter.

Sec. 2. As used in this chapter, "eligible child" refers to a child

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who qualifies as an eligible child under section 15 of this chapter.

Sec. 3. As used in this chapter, "eligible provider" refers to an entity that qualifies as an eligible provider under section 16 of this chapter.

Sec. 4. As used in this chapter, "eligible services" refers to a program of early education services that meets the standards of quality recognized by a Level 3 or Level 4 paths to QUALITY program rating.

Sec. 5. As used in this chapter, "fund" refers to the early education matching grant program fund established by section 11 of this chapter.

Sec. 6. As used in this chapter, "grant" refers to a matching grant from the fund.

Sec. 7. As used in this chapter, "program" refers to the early education matching grant program established by this chapter.

Sec. 8. (a) The early learning advisory committee is established.

(b) The committee consists of six (6) members appointed by the governor as follows:

- (1)** A representative of the department of education.
- (2)** A representative of the division.
- (3)** A representative of a Head Start program under 42 U.S.C. 9831 et seq.
- (4)** A representative of a family advocacy group that has an interest in early childhood education.
- (5)** An early childhood education provider.
- (6)** A representative of business with an interest in early childhood education.

(c) The governor shall appoint the chairperson of the committee.

(d) The division shall staff the committee.

(e) The expenses of the committee shall be paid from the funds of the division.

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

(g) Each member of the committee who is a state employee but who is not a member of the general assembly is entitled to reimbursement for traveling expenses as provided under

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IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(h) Each member of the committee who is a member of the general assembly is entitled to receive the same per diem, mileage, and travel allowances paid to legislative members of interim study committees established by the legislative council. Per diem, mileage, and travel allowances paid under this section shall be paid from appropriations made to the legislative council or the legislative services agency.

(i) The affirmative votes of a majority of the voting members appointed to the committee are required for the committee to take action on any measure, including final reports.

Sec. 9. (a) The committee shall do the following:

(1) Conduct periodic statewide needs assessments concerning the quality and availability of early education programs for children from birth to the age of school entry, including the availability of high quality prekindergarten education for low income children in Indiana.

(2) Identify opportunities for, and barriers to, collaboration and coordination among federally and state funded child development, child care, and early childhood education programs and services, including governmental agencies that administer the programs and services.

(3) Assess the capacity and effectiveness of two (2) and four (4) year public and private higher education institutions in Indiana for the support of development of early educators, including:

(A) professional development and career advancement plans; and

(B) practice or internships with Head Start or prekindergarten programs.

(4) Recommend to the division procedures, policies, and eligibility criteria for the program.

(5) Other duties as determined necessary by the chairperson of the committee.

(b) Not later than June 30 of each year, the committee shall develop and make recommendations to the governor and, in an electronic format under IC 5-14-6, to the legislative council concerning the results of the committee's work under this section.

Sec. 10. The division shall administer an early education

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matching grant program in compliance with this chapter. The division may establish procedures, forms, and standards to carry out this chapter. The office of the secretary may adopt rules under IC 4-22-2 to carry out this chapter.

Sec. 11. (a) The early education matching grant program fund is established for the purpose of providing matching grants to providers of eligible services. The fund shall be administered by the division.

(b) The fund consists of the following:

- (1)** Appropriations by the general assembly.
- (2)** Grants and gifts that the state receives for the fund under terms, obligations, and liabilities that the division considers appropriate.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited in the fund.

(d) Money in the fund at the end of a state fiscal year does not revert to the state general fund. The fund is a trust fund and may not be transferred to another fund under IC 4-9.1-1-7.

Sec. 12. The division shall establish an application process for grants from the fund.

Sec. 13. The division may award a grant from the fund to an applicant that:

- (1)** agrees to operate as an eligible provider;
- (2)** either:
 - (A)** has obtained a matching gift or grant; or
 - (B)** has a commitment for a matching gift or grant; from any combination of foundations, other nonprofit entities, individuals, or for-profit entities for the purposes of the applicant's program of eligible services;
- (3)** provides the division with a plan for use of the grant and any related matching funds that demonstrates to the satisfaction of the division that use of the grant and related matching funds will increase the number of eligible children receiving eligible services;
- (4)** enters into a written agreement with the division concerning the delivery of eligible services and the use of a grant provided under this chapter, which incorporates the plan approved by the division under subdivision (3); and
- (5)** provides to the division any other information that the division determines necessary or appropriate for the grant.

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Sec. 14. Foundations, nonprofit entities, individuals, and for-profit entities may contribute an amount to the fund:

- (1) for the purposes of providing a matching gift or grant described in section 13(2) of this chapter; or**
- (2) as unrestricted funds.**

Sec. 15. To qualify as an eligible child, the child must be:

- (1) a member of a household with an annual income that does not exceed one hundred eighty-five percent (185%) of the federal poverty level;**
- (2) at least four (4) years of age and less than five (5) years of age when the child receives eligible services; and**
- (3) a resident of Indiana or otherwise have legal settlement in Indiana, as determined under IC 20-26-11.**

Sec. 16. To qualify as an eligible provider, an applicant must:

- (1) be an entity other than an individual;**
- (2) provide eligible services to individuals for at least one hundred eighty (180) days per year;**
- (3) administer the kindergarten readiness assessment (ISTAR-KR) adopted by the department of education to children receiving eligible services as required by the division;**
- (4) include a parental involvement component in the delivery of eligible services that is based on the requirements and guidelines established by the division;**
- (5) comply with the agreement with the division concerning the delivery of eligible services and the use of a grant provided under this chapter; and**
- (6) comply with any other standards and procedures established under this chapter.**

Sec. 17. The division shall monitor for compliance of a recipient of a grant with the terms of the grant.

Sec. 18. (a) The division shall monitor the educational outcomes resulting from the delivery of eligible services by eligible providers that receive a grant under this chapter over the period established by the division to evaluate the contribution eligible services makes toward improved education outcomes.

(b) The division shall provide the department of education with information necessary for the department of education to assign a child who receives early education services from a provider that participates in the program under this chapter a student testing number. Upon receipt of the information, the department of education shall assign the child a student testing number to track the child's educational growth and development.

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(c) The department of education shall cooperate with the division as necessary or appropriate to assist the division to carry out this section, including the sharing of information related to the educational outcomes assigned a student testing number under subsection (b) to the extent permitted by the laws governing the disclosure of student information.

(d) Beginning in 2015, the division shall annually provide the committee, the governor, and (in an electronic format under IC 5-14-6) the legislative council a report of the findings of the division under this section in a form that complies with all laws governing the disclosure of student information."

Renumber all SECTIONS consecutively.

(Reference is to ESB 338 as printed April 8, 2013.)

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