CONFERENCE COMMITTEE REPORT
DIGEST FOR EHB 1427

Citations Affected: IC 4-12-12-6; IC 4-13-1.6-3; IC 5-22-22-1; IC 6-3.1-15; IC 9-18-2-8.5; IC 12-17-19-24; IC 20-18-2; IC 20-19; IC 20-20; IC 20-23-2-3; IC 20-26; IC 20-27-7; IC 20-28; IC 20-29-6; IC 20-30; IC 20-31; IC 20-32; IC 20-33-5; IC 20-40; IC 20-41; IC 20-42-3-10; IC 20-42.5; IC 20-43-9-7; IC 36-1-11-1.

Synopsis: Various education matters. Eliminates references to the "buddy system project" in provisions relating to an income tax credit for computer equipment donations. Changes the registration deadline for school bus owners that are not school corporations from July 29 to September 28. Provides that after May 15, 2013, the state board of education (state board) may take no further actions to implement as standards for the state or direct the department of education (department) to implement any common core standards until the state board conducts a comprehensive evaluation of the common core standards. Provides that, before July 1, 2014, the state board shall adopt college and career readiness educational standards. Provides that the state board shall implement educational standards that use the common core standards as the base model for academic standards to the extent necessary to comply with federal standards to receive a flexibility waiver. Provides that, before July 1, 2013, the department shall provide a written evaluation of the common core standards to the state board and the chairperson of the legislative study committee established to study the common core standards and other standards. Provides that the legislative council shall establish a legislative study committee to study issues relating to common core standards or other standards. Requires the state board to secure an opinion from the office of management and budget concerning the fiscal impact to the state and school corporations if the state board: (1) fully implements the common core standards; or (2) discontinues the implementation of the common core standards. Requires the state board to hold at least three public meetings in certain parts of the state. Requires the department to administer ISTEP assessments during the 2013-2015 biennium. Provides that, after June 30, 2013, the state, or the state board on behalf of the state, may not enter into or renew an agreement with any organization, entity, group, or consortium that requires the state to cede any measure of autonomy or control of education standards and assessments, including cut scores. Provides that the geographic boundary of an educational service center's region must, to the extent possible, be aligned with the boundary of a regional works council's region. Replaces the definition of "textbook" with a definition of "curricular materials". Provides that the department shall determine the process for evaluating the curricular materials' alignment to academic standards and the appropriateness of the reading level of the curricular materials. Requires the department

to describe the method used to evaluate curricular materials. Makes changes to the type of curricular subject matter that the department must review to show that the curricular material is aligned to academic standards. Repeals the requirement that a superintendent of a school corporation forward a list of the curricular materials selected by the superintendent. Abolishes the following programs and entities concerning various education matters: (1) Technology apprenticeship grant program. (2) Education consultant for health and physical education. (3) Corporation for educational technology. (4) Principal leadership academy. (5) School grant writing and fund raising assistance program. (6) School intervention and career counseling development program advisory board. (7) Technology Preparation Task Force. (8) Research and development program concerning various studies and evaluations. (9) Department of education review of professional development programs. (10) Readiness testing. (11) Student services programs. (12) Teacher quality and professional improvement program. (13) Projects on Innovative Education. (14) Committee on educational attitudes, motivation, and parental involvement. (15) ISTEP program citizens' review committee. (16) Twenty-first century schools pilot program. (17) Anti-gang counseling pilot program and fund. Requires the state board to provide for reviews to ensure the validity and reliability of the ISTEP program. Replaces the ambassador for education program with provisions that allow a teacher of the year to serve one year of professional leave with the department of education or a postsecondary educational institution. Requires school bus inspectors to attach to the bus a certificate of inspection and document the certification in the school bus inspection data base. Resolves a conflict in IC 20-28-9-1, which was amended in P.L.229-2011, SEC. 175 (HEA 1001-2011) and repealed by P.L.48-2011, SEC. 39 (SEA 575-2011). Repeals a provision that requires a school corporation to compile class size data for kindergarten through grade 3 and report the data to the department for purposes of maintaining the primetime program. Requires a school corporation to annually compile class size data for kindergarten through grade 3 and report the data to the department by a date established by the department. Repeals the innovative testing methods pilot program. Provides that the department may not establish criteria for a nonpublic school to be eligible for recognition for the school's performance that are different from criteria used for a public school of the same grade levels. Adds parent members to an academic standards committee. (Currently, the committee is made up of educators in the subject area that is being revised.) Provides that if a school has appealed the school's performance designation and the school's designation changes, the department must change the designation in the department's records, notify the school, and disseminate information concerning the change in the same manner as the information concerning the school's designation was disseminated. Provides that a parent may request a rescoring of a student's responses on any statewide assessment that the student is required to complete. Provides that the state board may require assessments in addition to ISTEP assessments for secondary students. Provides that the state board shall establish a number of categories using an "A" through "F" grading scale, to designate performance based on the individual student academic performance and growth to proficiency in each school. Provides that not later than November 15, 2013, the state board shall establish new categories or designations of school performance which must be based on a measurement of individual student academic performance and growth to proficiency and may not be based on a measurement of student performance or growth compared with peers. Makes conforming changes. Makes technical corrections. **(This conference committee report: (1) makes changes to the provisions that require the state board to review the common core standards; (2) replaces provisions relating to A through F designations of school improvement with provisions that: (A) provide that the state board shall establish a number of categories using an "A" through "F" grading scale, to designate performance; and (B) provides that not later than November 15, 2013, the state board shall establish new categories or designations of school performance which must be based on a measurement of individual student academic performance and growth to proficiency and may not be based on a measurement of student performance or growth compared with peers; (3) removes provisions that provide that a school's reading plan must include an emphasis on a growth model measure and must include two or more assessments throughout the school year and that a school's reading plan must include an emphasis on a home and school reading initiative with appropriate consultation with parents to accelerate the reading improvement of the student; (4)**

removes a provision that provides that academic standards are adopted in a six year cycle, beginning in 2013; and (5) resolves conflicts with HEA 1357 and HEA 1568.)

Effective: Upon passage; July 1, 2011 (retroactive); January 1, 2013 (retroactive); July 1, 2013.

Adopted	Rejected

CONFERENCE COMMITTEE REPORT

MR. SPEAKER:

Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed Senate Amendments to Engrossed House Bill No. 1427 respectfully reports that said two committees have conferred and agreed as follows to wit:

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

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 4-12-12-6, AS AMENDED BY P.L.2-2007, SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 6. Money in the account that is not otherwise designated under section 3 of this chapter is annually dedicated to the following:

(1) The certified school to career program and grants under IC 22-4.1-8.

(2) The certified internship program and grants under IC 22-4.1-7.

(3) The Indiana economic development partnership fund under IC 4-12-10.

(4) Minority training program grants under IC 22-4-18.1-11.

~~(5) Technology apprenticeship grants under IC 20-20-32.~~

~~(6)~~ **(5)** The back home in Indiana program under IC 22-4-18.1-12.

~~(7)~~ **(6)** The Indiana schools smart partnership under IC 22-4.1-9.

~~(8)~~ **(7)** The scientific instrument project within the department of education.

~~(9)~~ **(8)** The coal technology research fund under IC 21-47-4-5.

SECTION 2. IC 4-13-1.6-3, AS AMENDED BY P.L.73-2011, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3. (a) As used in this chapter, "major equipment

item" refers to any item that a school corporation considers:

(1) a significant equipment purchase; and

(2) reasonably likely to be purchased by several school corporations.

(b) The term does not include the following:

(1) ~~A textbook (as defined in IC 20-18-2-23)~~ **Curricular materials (as defined in IC 20-18-2-2.7).**

(2) A special purpose bus (as defined in IC 20-27-2-10).

(3) A school bus (as defined in IC 20-27-2-8).

SECTION 3. IC 5-22-22-1, AS AMENDED BY HEA 1568-2013, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. (a) This chapter applies only to personal property owned by a governmental body.

(b) This chapter does not apply to dispositions of property described in any of the following:

(1) IC 5-22-21-1(b).

(2) IC 36-1-11-5.5.

(3) IC 36-1-11-5.7.

(c) This chapter does not apply to any of the following:

(1) The disposal of property under an urban homesteading program under IC 36-7-17 or IC 36-7-17.1.

(2) The lease of school buildings under IC 20-47.

(3) The sale of land to a lessor in a lease-purchase contract under IC 36-1-10.

(4) The disposal of property by a redevelopment commission established under IC 36-7.

(5) The leasing of property by a board of aviation commissioners established under IC 8-22-2 or an airport authority established under IC 8-22-3.

(6) The disposal of a municipally owned utility under IC 8-1.5.

(7) The sale or lease of property by a unit (as defined in IC 36-1-2-23) to an Indiana nonprofit corporation organized for educational, literary, scientific, religious, or charitable purposes that is exempt from federal income taxation under Section 501 of the Internal Revenue Code or the sale or reletting of that property by the nonprofit corporation.

(8) The disposal of surplus property by a hospital established and operated under IC 16-22-1 through IC 16-22-5, IC 16-22-8, IC 16-23-1, or IC 16-24-1.

(9) The sale or lease of property acquired under IC 36-7-13 for industrial development.

(10) The sale, lease, or disposal of property by a local hospital authority under IC 5-1-4.

(11) The sale or other disposition of property by a county or municipality to finance housing under IC 5-20-2.

(12) The disposition of property by a soil and water conservation district under IC 14-32.

(13) The disposal of surplus property by the health and hospital corporation established and operated under IC 16-22-8.

(14) The disposal of personal property by a library board under

IC 36-12-3-5(c).

(15) The sale or disposal of property by the historic preservation commission under IC 36-7-11.1.

(16) The disposal of an interest in property by a housing authority under IC 36-7-18.

(17) The disposal of property under IC 36-9-37-26.

(18) The disposal of property used for park purposes under IC 36-10-7-8.

(19) The disposal of ~~textbooks~~ **curricular materials** that will no longer be used by school corporations under IC 20-26-12.

(20) The disposal of residential structures or improvements by a municipal corporation without consideration to:

(A) a governmental body; or

(B) a nonprofit corporation that is organized to expand the supply or sustain the existing supply of good quality, affordable housing for residents of Indiana having low or moderate incomes.

(21) The disposal of historic property without consideration to a nonprofit corporation whose charter or articles of incorporation allows the corporation to take action for the preservation of historic property. As used in this subdivision, "historic property" means property that is:

(A) listed on the National Register of Historic Places; or

(B) eligible for listing on the National Register of Historic Places, as determined by the division of historic preservation and archeology of the department of natural resources.

(22) The disposal of real property without consideration to:

(A) a governmental body; or

(B) a nonprofit corporation that exists for the primary purpose of enhancing the environment;

when the property is to be used for compliance with a permit or an order issued by a federal or state regulatory agency to mitigate an adverse environmental impact.

(23) The disposal of property to a person under an agreement between the person and a governmental body under IC 5-23.

SECTION 4. IC 6-3.1-15-1 IS REPEALED [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]:. ~~Sec. 1. As used in this chapter, "buddy system project" means a statewide computer project placing computers in homes of public school students (commonly referred to as the "buddy system project") and any other educational technology program or project jointly authorized by the state superintendent of public instruction and the governor.~~

SECTION 5. IC 6-3.1-15-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]: Sec. 12. (a) A service center may sell qualified computer equipment received by taxpayers under this chapter only to the following:

(1) Public or private elementary or secondary schools.

(2) The parent or guardian of a student enrolled in grade 1 through 12 that is ~~a participant in a buddy system project or~~ enrolled in a school's computer education program.

(b) A service center may sell qualified computer equipment under this chapter to schools, parents, or guardians located outside the service center's normal service area, but not outside Indiana.

(c) Before a public or private elementary school may purchase qualified computer equipment from a service center, the school must submit a statement to the service center detailing the following:

(1) The school's computer education program or planned computer education program.

(2) The school's planned use of the qualified computer equipment, including the goals of the plan, the implementation of the plan, and the number of students that will be served with the qualified computer equipment.

(d) A school that purchases qualified computer equipment from a service center may sell the qualified computer equipment to a parent or guardian of a child who is enrolled in the school's computer education program. ~~including a buddy system project.~~

(e) Before a parent or guardian of a student may purchase qualified computer equipment from a service center, the parent or guardian must present proof, in the form approved by the service center, that:

(1) the child of the parent or guardian is a participant in ~~a buddy system project or enrolled in~~ a school's computer education program; and

(2) the qualified computer equipment will be used by the child for an educational purpose.

SECTION 6. IC 6-3.1-15-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)]: Sec. 17. The state board shall perform an annual review of the program implemented by this chapter and before September 1 of each year file an annual report with the budget committee for review by the budget committee and approval of the budget agency. The report must include the following:

(1) A listing of the schools that participated in the program including the school's location, whether the school is a private or public school, ~~whether the school participates in a buddy system project,~~ and a description of the demographics of the students of each school.

(2) The board's opinion regarding the success of the program.

(3) The amount of tax credits granted to donors.

SECTION 7. IC 9-18-2-8.5, AS ADDED BY P.L.31-2008, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 8.5. (a) Notwithstanding section 8 of this chapter, a school bus owned by a person other than a school corporation shall be registered before ~~July 29~~ **September 28** of each year.

(b) Registration and reregistration for a school bus under this section is for one (1) year.

(c) A certificate of inspection as ~~required under IC 20-27-7-16~~ **described under IC 20-27-7-3** must accompany a registration and reregistration application of a school bus under this section.

(d) A person registering a school bus under this section shall pay the annual registration fee required under IC 9-29-5-8 and any fees and

service charges required of a vehicle registered under this chapter.

(e) Upon registration of a school bus under this section, the bureau shall issue a license plate under section 30 of this chapter, including:

(1) an annual renewal tag; or

(2) other indicia;

to be attached on the semipermanent plate.

(f) A license plate with a renewal tag or other indicia of registration issued under this section may be displayed during:

(1) the calendar year for which the school bus is registered; and

(2) the period:

(A) after the calendar year; and

(B) before ~~July 29~~ **September 28** of the subsequent year.

SECTION 8. IC 12-17-19-24, AS ADDED BY P.L.1-2005, SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 24. (a) To evaluate the effectiveness of step ahead as the program relates to the step ahead goals listed in section 13 of this chapter, the panel shall employ the following assessment mechanisms:

(1) The step ahead county coordinator shall annually report to the panel on the development, quality, and appropriateness of the individual family service plans for children whose parents qualify under the income eligibility guidelines.

(2) The step ahead county coordinator shall annually report to the panel on the number of children who:

(A) are using step ahead services; and

(B) do not qualify under the income eligibility guidelines.

(3) The panel shall annually assess the results of any readiness program ~~under IC 20-20-26~~ **established by the department of education** for students in kindergarten and grade 1 to determine whether children enrolling in school after benefiting from step ahead demonstrate greater readiness for learning. The department of education shall cooperate with the panel in this regard by assisting in defining the term "readiness" and supporting the evaluation based on knowledge and training in early childhood.

(4) Any other valid assessment technique or method approved by the panel.

(b) The panel shall implement a schedule for assessing step ahead programs, using prior evaluation results and techniques learned through the department of education's pilot preschool programs.

SECTION 9. IC 20-18-2-2.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 2.7. "Curricular materials" means systematically organized material designed to provide a specific level of instruction in a subject matter category, including:**

(1) books;

(2) hardware that will be consumed, accessed, or used by a single student during a semester or school year;

(3) computer software; and

(4) digital content.

SECTION 10. IC 20-18-2-23 IS REPEALED [EFFECTIVE JULY 1, 2013]. ~~Sec. 23. "Textbook" means systematically organized material~~

~~designed to provide a specific level of instruction in a subject matter category, including:~~

~~(1) books;~~

~~(2) hardware that will be consumed, accessed, or used by a single student during a semester or school year;~~

~~(3) computer software; and~~

~~(4) digital content.~~

SECTION 11. IC 20-19-2-8, AS AMENDED BY SEA 85-2013, SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 8. (a) In addition to any other powers and duties prescribed by law, the state board shall adopt rules under IC 4-22-2 concerning, but not limited to, the following matters:

(1) The designation and employment of the employees and consultants necessary for the department. The state board shall fix the compensation of employees of the department, subject to the approval of the budget committee and the governor under IC 4-12-2.

(2) The establishment and maintenance of standards and guidelines for media centers, libraries, instructional materials centers, or any other area or system of areas in a school where a full range of information sources, associated equipment, and services from professional media staff are accessible to the school community. With regard to library automation systems, the state board may only adopt rules that meet the standards established by the state library board for library automation systems under IC 4-23-7.1-11(b).

(3) The establishment and maintenance of standards for student personnel and guidance services.

(4) The inspection of all public schools in Indiana to determine the condition of the schools. The state board shall establish standards governing the accreditation of public schools. Observance of:

(A) IC 20-31-4;

(B) IC 20-28-5-2;

(C) IC 20-28-6-3 through IC 20-28-6-7;

(D) IC 20-28-11.5; and

(E) IC 20-31-3, IC 20-32-4, IC 20-32-5, ~~IC 20-32-6,~~ and IC 20-32-8;

is a prerequisite to the accreditation of a school. Local public school officials shall make the reports required of them and otherwise cooperate with the state board regarding required inspections. Nonpublic schools may also request the inspection for classification purposes. Compliance with the building and site guidelines adopted by the state board is not a prerequisite of accreditation.

(5) The distribution of funds and revenues appropriated for the support of schools in the state.

(6) The state board may not establish an accreditation system for nonpublic schools that is less stringent than the accreditation system for public schools.

(7) A separate system for recognizing nonpublic schools under IC 20-19-2-10. Recognition of nonpublic schools under this subdivision constitutes the system of regulatory standards that apply to nonpublic schools that seek to qualify for the system of recognition.

(8) The establishment and enforcement of standards and guidelines concerning the safety of students participating in cheerleading activities.

(9) Subject to IC 20-28-2, the preparation and licensing of teachers.

(b) Before final adoption of any rule, the state board shall make a finding on the estimated fiscal impact that the rule will have on school corporations.

SECTION 12. IC 20-19-2-14, AS AMENDED BY P.L.172-2011, SECTION 120, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 14. The state board shall do the following:

(1) Establish the educational goals of the state, developing standards and objectives for local school corporations.

(2) Assess the attainment of the established goals.

(3) Assure compliance with established standards and objectives.

(4) Coordinate with the commission for higher education (IC 21-18-1) and the department of workforce development (IC 22-4.1-2) to develop entrepreneurship education programs for elementary and secondary education, higher education, and individuals in the work force.

(5) Make recommendations to the governor and general assembly concerning the educational needs of the state, including financial needs.

(6) Provide for reviews to ensure the validity and reliability of the ISTEP program.

SECTION 13. IC 20-19-2-14.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 14.5. (a) As used in this section:**

(1) "common core standards" refers to educational standards developed for kindergarten through grade 12 by the Common Core State Standards Initiative; and

(2) "cut scores" means the scores that define a student's performance on an assessment, including passing, failing, or falling into a performance category.

(b) Notwithstanding section 14 of this chapter, after May 15, 2013, the state board may take no further actions to implement as standards for the state or direct the department to implement any common core standards developed by the Common Core State Standards Initiative until the state board conducts a comprehensive evaluation of the common core standards as provided in this section. Any common core standards adopted by the state board before May 15, 2013, remain in effect until the state board adopts educational standards under subsection (c).

(c) Before July 1, 2014, the state board shall adopt college and

career readiness educational standards. The educational standards must meet national and international benchmarks for college and career readiness standards and be aligned with postsecondary educational expectations. The state board shall implement educational standards that use the common core standards as the base model for academic standards to the extent necessary to comply with federal standards to receive a flexibility waiver under 20 U.S.C. 7861. However, higher academic standards may be adopted that supplement or supplant the common core standards if the higher educational standards would qualify for a flexibility waiver under 20 U.S.C. 7861 because the higher educational standards meet United States Department of Education flexibility waiver requirements that ensure college and career readiness of students.

(d) The educational standards may not be adopted under subsection (c) until:

(1) the state board has received and considers:

(A) the department's evaluation of the common core under subsection (e);

(B) the final report of the legislative study committee established under subsection (f);

(C) the fiscal impact statement prepared by the office of management and budget under subsection (g); and

(2) the state board holds at least three (3) public meetings and takes public testimony regarding the adoption of educational standards after the state board has received and considered the information described in subdivision (1).

(e) Before July 1, 2013, the department shall provide a written evaluation of the common core standards to the:

(1) governor;

(2) legislative council;

(3) state board; and

(4) chairperson of the legislative study committee established in subsection (f).

The evaluation must be provided in an electronic format as provided under IC 5-14-6.

(f) The legislative council shall establish a legislative study committee to study issues relating to common core standards or other standards. Not later than November 1, 2013, the legislative committee shall submit the committee's final report to the legislative council, governor, department, and state board. The report must:

(1) compare existing Indiana standards with the common core standards;

(2) consider best practices in developing and adopting the standards, seeking information from a broad range of sources, including:

(A) subject area teachers from elementary and secondary schools in Indiana;

(B) subject area instructors and experts from postsecondary educational institutions; and

(C) any other standards the study committee considers to be superior standards; and

(3) evaluate the cost to the state or school corporations associated with implementing Partnership for Assessment of Readiness for College and Careers assessment or the Smarter Balanced assessment by schools.

The legislative study committee shall operate under the policies governing study committees adopted by the legislative council. The study committee shall hold at least three (3) public meetings.

(g) Before September 1, 2013, the office of management and budget established by IC 4-3-22-3, in consultation with the state board, shall provide an opinion concerning the fiscal impact to the state and school corporations if the state board:

(1) fully implements the common core standards; and

(2) discontinues the implementation of the common core standards.

The office of management and budget must provide its opinion in an electronic format under IC 5-14-6 to the governor, legislative council, and state board.

(h) The department shall administer ISTEP assessments under IC 20-32-5 during the 2013-2015 biennium. The state board may not require the use of the Partnership for Assessment of Readiness for College and Careers assessment or the Smarter Balanced assessment by schools until the state board receives and considers the reports received under subsections (e) through (g). This section does not remove academic standards developed or implemented by the state board before July 1, 2013.

(i) This subsection does not apply to an agreement with the United States Department of Education concerning a waiver from federal requirements. After June 30, 2013, the state, or the state board on behalf of the state, may not enter into or renew an agreement with any organization, entity, group, or consortium that requires the state to cede any measure of autonomy or control of education standards and assessments, including cut scores.

(j) The state board may adopt emergency rules in the manner provided in IC 4-22-2-37.1 to implement this section. As provided in IC 4-22-2-37.1 for an emergency rule adopted under this section to be effective after one (1) extension period, the rule must be adopted in conformity with the procedures under IC 4-22-2-24 through IC 4-22-2-36.

SECTION 14. IC 20-19-3-6 IS REPEALED [EFFECTIVE JULY 1, 2013]. ~~Sec. 6. (a) The department shall:~~

~~(1) establish a program in health and physical education to encourage children in kindergarten through grade 12 to develop:~~

~~(A) healthful living habits;~~

~~(B) an interest in lifetime health and physical fitness; and~~

~~(C) decision making skills in the areas of health and physical fitness;~~

~~(2) establish the position of education consultant for health and physical education; and~~

~~(3) hire an individual to perform the duties of education~~

~~consultant for health and physical education.~~

~~(b) The education consultant for health and physical education shall:~~

~~(1) plan and develop curricula for health and physical education for grades kindergarten through 12; and~~

~~(2) perform other duties designated by the department.~~

~~(c) The program in health and physical education must include the following:~~

~~(1) Local school program development.~~

~~(2) Technical and inservice training assistance for local schools.~~

~~(3) Local school initiatives in writing curricula in the areas of health and physical education.~~

~~(4) Cardiopulmonary resuscitation training using a training program approved by the American Heart Association or an equivalent nationally recognized training program.~~

~~(d) The department may give grants to or enter into contracts with individuals or school corporations to carry out the purposes of the program in health and physical education.~~

SECTION 15. IC 20-19-4-10, AS ADDED BY P.L.1-2005, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 10. The roundtable shall review and recommend to the state board for the state board's approval the following:

(1) The academic standards under IC 20-31-3, IC 20-32-4, **and** IC 20-32-5 ~~and IC 20-32-6~~ for all grade levels from kindergarten through grade 12.

(2) The content and format of the ISTEP program, including the following:

(A) The graduation examination.

(B) The passing scores required at the various grade levels tested under the ISTEP program.

SECTION 16. IC 20-20-1-2, AS AMENDED BY P.L.234-2007, SECTION 90, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. (a) As used in this chapter, "educational service center" means an extended agency of school corporations that:

(1) operates under rules established by the state board;

(2) is the administrative and operational unit that serves a definitive geographical boundary, **which, to the extent possible, must be aligned with the boundary of a regional works council's region established under IC 20-19-6;** and

(3) allows school corporations to voluntarily cooperate and share programs and services that the school corporations cannot individually provide but collectively may implement.

(b) Programs and services collectively implemented through an educational service center may include, but are not limited to, the following:

(1) Curriculum development.

(2) Pupil personnel and special education services.

(3) In-service education.

(4) State-federal liaison services.

(5) Instructional materials and multimedia services.

(6) Career and technical education.

(7) Purchasing and financial management.
(8) Needs assessment.
(9) Computer use.
(10) Research and development.

SECTION 17. IC 20-20-2 IS REPEALED [EFFECTIVE JULY 1, 2013]. (Principal Leadership Academy).

SECTION 18. IC 20-20-4-1 IS REPEALED [EFFECTIVE JULY 1, 2013]. ~~Sec. 1. The following are the goals of the ambassador for education program:~~

~~(1) Enhance the stature of teachers and the teaching profession.~~
~~(2) Inspire and attract talented young people to become teachers.~~
~~(3) Promote the teaching profession within community and business groups.~~
~~(4) Support the activities of the Future Teachers of America clubs.~~
~~(5) Represent Indiana teachers at business, education, and teacher leadership conferences and meetings.~~
~~(6) Reward the teacher of the year for the teacher's outstanding contributions to the teaching profession.~~
~~(7) Reward the teacher of the year for the teacher's contributions to the teacher's classroom and school.~~

SECTION 19. IC 20-20-4-2 IS REPEALED [EFFECTIVE JULY 1, 2013]. ~~Sec. 2. As used in this chapter, "ambassador" refers to the ambassador for education established by section 4 of this chapter.~~

SECTION 20. IC 20-20-4-3 IS REPEALED [EFFECTIVE JULY 1, 2013]. ~~Sec. 3. As used in this chapter, "school" means a school corporation or an accredited nonpublic school.~~

SECTION 21. IC 20-20-4-4 IS REPEALED [EFFECTIVE JULY 1, 2013]. ~~Sec. 4. The position of ambassador for education is established to act as an education liaison to Indiana schools.~~

SECTION 22. IC 20-20-4-5 IS REPEALED [EFFECTIVE JULY 1, 2013]. ~~Sec. 5. A teacher in a school who:~~

~~(1) is selected by the state superintendent as teacher of the year; and~~
~~(2) agrees to be ambassador;~~

~~is ambassador for a one (1) year term beginning July 1 after selection as teacher of the year and ending the following June 30.~~

SECTION 23. IC 20-20-4-5.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 5.5. A teacher of the year may be invited to serve one (1) year of professional leave with:**

(1) an Indiana postsecondary educational institution; or
(2) the department.

SECTION 24. IC 20-20-4-6, AS ADDED BY P.L.1-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 6. (a) The school where ~~an ambassador~~ **a teacher of the year** is regularly employed shall do the following:

(1) Grant the ~~ambassador~~ **teacher** a one (1) year professional leave to ~~serve as ambassador during the ambassador's term.~~ **provide service as described in section 5.5 of this chapter.**

(2) Allow the ~~ambassador~~ **teacher** to return to the school from the professional leave:

(A) to the same or a comparable position as the ~~ambassador~~ **teacher** held before the professional leave; and

(B) without loss of accrued benefits or seniority.

(3) Continue to provide the ~~ambassador~~ **teacher** all benefits of employment with the school other than salary.

(b) The department shall reimburse a school for the cost of benefits provided by the school to ~~an ambassador~~ **a teacher** under subsection (a)(3).

SECTION 25. IC 20-20-4-6.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 6.5. If a teacher of the year provides service for the department or an Indiana postsecondary educational institution under this chapter, the department or the Indiana postsecondary educational institution shall pay the teacher's salary for the term of the service and shall reimburse the teacher's regular employer for the teacher's benefits during the term of service.**

SECTION 26. IC 20-20-4-7 IS REPEALED [EFFECTIVE JULY 1, 2013]. ~~Sec. 7. An ambassador may elect to serve the one (1) year professional leave at:~~

~~(1) an Indiana postsecondary educational institution; or~~

~~(2) the department.~~

SECTION 27. IC 20-20-4-8 IS REPEALED [EFFECTIVE JULY 1, 2013]. ~~Sec. 8. If an ambassador elects to serve a one (1) year professional leave with the department, the following apply:~~

~~(1) The state coordinator of the ambassador for education program, as designated by the state superintendent, shall establish the ambassador's duties.~~

~~(2) The ambassador is entitled to receive from the department the following:~~

~~(A) A salary in place of compensation from the school where the ambassador is regularly employed that equals the salary that the ambassador, if not serving as ambassador, would receive during the school year of the ambassador's term from the school where the ambassador is regularly employed.~~

~~(B) Actual expenses of the ambassador incurred as a result of the performance of duties under this chapter.~~

SECTION 28. IC 20-20-4-9 IS REPEALED [EFFECTIVE JULY 1, 2013]. ~~Sec. 9. If an ambassador elects to serve a one (1) year professional leave with an Indiana postsecondary educational institution, the following apply:~~

~~(1) The dean of the institution's school of education or the equivalent officer shall establish the ambassador's duties.~~

~~(2) The ambassador is entitled to receive from the institution the amount of compensation that the institution offers the ambassador.~~

~~(3) The ambassador is entitled to receive from the department compensation in an amount that when added to the amount~~

~~provided under subdivision (2) equals the salary that the ambassador, if not serving as ambassador, would receive during the school year of the ambassador's term from the school where the ambassador is regularly employed.~~

SECTION 29. IC 20-20-4-10 IS REPEALED [EFFECTIVE JULY 1, 2013]. ~~Sec. 10. The ambassador's duties must match the relative skills and education background of the ambassador and reflect the goals of the ambassador for education program. However, duties may include the following:~~

~~(1) Providing professional development seminars and workshops in the subject matter areas in which the ambassador has expertise.~~

~~(2) Accompanying the state superintendent in the exercise of the state superintendent's duties throughout Indiana.~~

SECTION 30. IC 20-20-5.5-1 IS REPEALED [EFFECTIVE JULY 1, 2013]. ~~Sec. 1. As used in this chapter, "curricular materials" means:~~

~~(1) textbooks; and~~

~~(2) material used to supplement or replace textbooks, including:~~

~~(A) books and other printed material;~~

~~(B) computer software; and~~

~~(C) digital content.~~

SECTION 31. IC 20-20-5.5-2, AS AMENDED BY P.L.6-2012, SECTION 124, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. (a) The department shall evaluate curricular materials. The evaluation must include an evaluation of:

(1) the curricular materials' alignment to the academic standards ~~adopted~~ **developed** by the ~~state board~~ **department** under ~~IC 20-31-3-1;~~ **IC 20-31-3-2;** and

(2) the appropriateness of the reading level of the curricular materials.

(b) The department shall determine the process for evaluating curricular materials under subsection (a).

~~(b)~~ **(c)** The department shall publish a report that describes the method used to conduct the evaluation required under subsection (a) and that contains the results of the evaluation. The report must **do the following:**

(1) Provide a list of each curricular material evaluated and a summary of the evaluation for each curricular material.

~~(2) be updated annually; and~~

~~(3)~~ **(2)** Provide a listing and summary review for the curricular materials that are aligned to the academic standards ~~adopted~~ **developed** by the ~~state board~~ **department** under ~~IC 20-31-3-1~~ **IC 20-31-3-2** for the following subjects for each grade level:

(A) English/language arts, including spelling, literature, and handwriting.

(B) Reading.

(C) Mathematics.

(D) Science.

(E) Social studies.

(F) ~~Miscellaneous.~~ **Other subject areas as determined by the department.**

~~(G) World languages.~~

(3) Include any clarification or response from the publisher of a curricular material related to the department's summary review provided under subdivision (2).

~~(c)~~ **(d)** A governing body and superintendent may use the report under subsection ~~(b)~~ **(c)** in complying with IC 20-26-12-24.

~~(d)~~ **(e)** For a publisher's curricular materials to be included in the report under subsection ~~(b),~~ **(c),** the publisher must provide the department a written, exact, and standard statewide price for each curricular material.

~~(e)~~ **(f)** A publisher may request that an update to the publisher's curricular materials and corresponding prices replace the information on the curricular materials set forth in the report under subsection ~~(b).~~ **(c).**

SECTION 32. IC 20-20-5.5-3, AS ADDED BY P.L.229-2011, SECTION 167, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3. (a) The state superintendent shall notify the governing bodies of each school corporation, charter school, and accredited nonpublic school immediately of:

(1) the initial publication and annual update on the department's Internet web site of the report described in section ~~2(b)~~ **2(c)** of this chapter, including the Internet web site address where the report is published; and

(2) updates of the following types of information in the report described in section ~~2(b)~~ **2(c)** of this chapter:

(A) The addition of materials.

(B) The removal of materials.

(C) Changes in the per unit price of curricular materials that exceed five percent (5%).

(b) A notification under this section must state that:

(1) the reviews of curricular materials included in the report described in section ~~2(b)~~ **2(c)** of this chapter are departmental reviews only; and

(2) each governing body has authority to adopt ~~textbooks~~ **curricular materials** for a school corporation.

SECTION 33. IC 20-20-9 IS REPEALED [EFFECTIVE JULY 1, 2013]. (School Grant Writing and Fund Raising Assistance Program).

SECTION 34. IC 20-20-10 IS REPEALED [EFFECTIVE JULY 1, 2013]. (Technology Preparation Task Force).

SECTION 35. IC 20-20-11 IS REPEALED [EFFECTIVE JULY 1, 2013]. (Research and Development Program).

SECTION 36. IC 20-20-17-6, AS ADDED BY P.L.1-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 6. The department may award grants to school corporations:

(1) upon review of the applications received under section 5 of this chapter;

~~(2) upon receipt of the recommendations from the advisory committee under section 10 of this chapter;~~

~~(3)~~ **(2)** subject to available money; and

~~(4)~~ **(3)** in accordance with the following priorities:

(A) To the extent possible, to achieve geographic balance throughout Indiana and to include urban, suburban, and rural school corporations.

(B) To address a documented need for new or expanded school intervention or career counseling programs, including considering the percentage of students within the school corporation who are designated as at risk students.

(C) To promote innovative methods for initiating or expanding school intervention or career counseling programs.

(D) To reward school corporations that propose school intervention or career counseling programs that demonstrate the greatest potential for replication and implementation in Indiana.

(E) To lower school counselor/student ratios where the ratios are excessively high.

SECTION 37. IC 20-20-17-10 IS REPEALED [EFFECTIVE JULY 1, 2013]. ~~Sec. 10. (a) An advisory committee composed of five (5) members is established.~~

~~(b) The state superintendent shall appoint the members of the advisory committee.~~

~~(c) The state superintendent shall:~~

~~(1) convene the advisory committee; and~~

~~(2) act as chair of the advisory committee.~~

~~The state superintendent may not be a member of the advisory committee.~~

~~(d) An employee of:~~

~~(1) the governor; or~~

~~(2) the department of education;~~

~~is eligible for appointment to the advisory committee.~~

~~(e) A member of the advisory committee serves at the pleasure of the appointing authority.~~

~~(f) A member of the advisory committee is not entitled to the following:~~

~~(1) The minimum salary per diem provided in IC 4-10-11-2.1(b).~~

~~(2) Reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties.~~

~~(g) The advisory committee shall do the following:~~

~~(1) Assist the department in developing the guidelines described in section 9 of this chapter.~~

~~(2) Establish standards for qualifying for a grant under this chapter.~~

~~(3) Review grant applications and make recommendations to the state superintendent concerning the awarding of grants.~~

~~(4) Evaluate the impact and results of the various school intervention and career counseling programs receiving grants under this chapter.~~

SECTION 38. IC 20-20-22 IS REPEALED [EFFECTIVE JULY 1, 2013]. (Teacher Quality and Professional Improvement Program).

SECTION 39. IC 20-20-23 IS REPEALED [EFFECTIVE JULY 1,

2013]. (Projects for Innovative Education).

SECTION 40. IC 20-20-25 IS REPEALED [EFFECTIVE JULY 1, 2013]. (Committee on Educational Attitudes, Motivation, and Parental Involvement).

SECTION 41. IC 20-20-26 IS REPEALED [EFFECTIVE JULY 1, 2013]. (Readiness Testing).

SECTION 42. IC 20-20-27 IS REPEALED [EFFECTIVE JULY 1, 2013]. (Student Services Programs).

SECTION 43. IC 20-20-29 IS REPEALED [EFFECTIVE JULY 1, 2013]. (Twenty-First Century Schools Pilot Program).

SECTION 44. IC 20-20-30 IS REPEALED [EFFECTIVE JULY 1, 2013]. (Anti-Gang Counseling Pilot Program and Fund).

SECTION 45. IC 20-20-31-6 IS REPEALED [EFFECTIVE JULY 1, 2013]. ~~Sec. 6. A school committee shall submit the school's program to the state superintendent for the superintendent's review. The state superintendent:~~

~~(1) shall review the plan to ensure that the program aligns with the school corporation's objectives, goals, and expectations;~~

~~(2) may make written recommendations of modifications to the program to ensure alignment; and~~

~~(3) shall return the program and any recommendations to the school committee.~~

SECTION 46. IC 20-20-31-7 IS REPEALED [EFFECTIVE JULY 1, 2013]. ~~Sec. 7. A school committee may modify the program to comply with recommendations made by the state superintendent under section 6 of this chapter.~~

SECTION 47. IC 20-20-31-8 IS REPEALED [EFFECTIVE JULY 1, 2013]. ~~Sec. 8. A school committee shall submit the program as part of its plan to the governing body. The governing body shall:~~

~~(1) approve or reject the program as part of the plan; and~~

~~(2) submit the program to the state board as part of the plan for the school.~~

SECTION 48. IC 20-20-31-9 IS REPEALED [EFFECTIVE JULY 1, 2013]. ~~Sec. 9. The state board may approve a school's program only if the program meets the board's core principles for professional development and the following additional criteria:~~

~~(1) To ensure high quality professional development, the program:~~

~~(A) is school based and collaboratively designed, and encourages participants to work collaboratively;~~

~~(B) has a primary focus on state and local academic standards, including a focus on Core 40 subject areas;~~

~~(C) enables teachers to improve expertise in subject knowledge and teaching strategies, uses of technologies, and other essential elements in teaching to high standards;~~

~~(D) furthers the alignment of standards, curriculum, and assessments; and~~

~~(E) includes measurement activities to ensure the transfer of new knowledge and skills to classroom instruction.~~

~~(2) A variety of resources, including needs assessments, an~~

~~analysis of data regarding student learning needs, professional literature, research, and school improvement programs, are used in developing the program.~~

~~(3) The program supports professional development for all stakeholders.~~

~~(4) The program includes ongoing professional growth experiences that provide adequate time and job embedded opportunities to support school improvement and student learning, including flexible time for professional development that provides professional development opportunities before, during, and after the regular school day and school year.~~

~~(5) Under the program, teacher time for professional development sustains instructional coherence, participant involvement, and continuity for students.~~

~~(6) The program includes effective, research based strategies to support ongoing developmental activities.~~

~~(7) The program supports experiences to increase the effective use of technology to improve teaching and learning.~~

~~(8) The program encourages diverse techniques, including inquiry, reflection, action research, networking, study groups, coaching, and evaluation.~~

~~(9) The program includes a means for evaluating the effectiveness of the program and activities under the program.~~

SECTION 49. IC 20-20-31-10 IS REPEALED [EFFECTIVE JULY 1, 2013]. ~~Sec. 10. The state board shall approve an evaluation system for professional development based on recommendations from the department. The department shall develop a means for measuring successful programs and activities in which schools participate. The measurements must include the following:~~

~~(1) A mechanism to identify and develop strategies to collect multiple forms of data that reflect the achievement of expectations for all students. The data may include the results of ISTEP program tests under IC 20-31-3, IC 20-32-4, IC 20-32-5, and IC 20-32-6, local tests, classroom work, and teacher and administrator observations.~~

~~(2) A procedure for using collected data to make decisions.~~

~~(3) A method of evaluation in terms of educator's practice and student learning, including standards for effective teaching and effective professional development.~~

SECTION 50. IC 20-20-31-11 IS REPEALED [EFFECTIVE JULY 1, 2013]. ~~Sec. 11. A school qualifies for a grant from the department when the school's program, developed and submitted under this chapter, is approved by the state board upon recommendation of the department. For purposes of determining whether a school qualifies for a grant under this chapter, the department shall:~~

~~(1) review;~~

~~(2) suggest changes to; and~~

~~(3) recommend approval or rejection of;~~

~~a school's program.~~

SECTION 51. IC 20-20-31-12 IS REPEALED [EFFECTIVE JULY

1, 2013]. ~~Sec. 12. A school must use a grant received under this chapter to implement all or part of the school's program by funding activities that may include the following:~~

~~(1) Partnership programs with other entities, including professional development schools.~~

~~(2) Teacher leadership academies, research teams, and study groups.~~

~~(3) Workshops, seminars, and site visits.~~

~~(4) Cooperative programs with other school corporations.~~

~~(5) National board certification for teachers.~~

SECTION 52. IC 20-20-31-13 IS REPEALED [EFFECTIVE JULY 1, 2013]. ~~Sec. 13. A school may contract with private or public sector providers to provide professional development activities under this chapter.~~

SECTION 53. IC 20-20-31-14 IS REPEALED [EFFECTIVE JULY 1, 2013]. ~~Sec. 14. A grant received under this chapter:~~

~~(1) may be expended only for the conduct of activities specified in the program; and~~

~~(2) must be coordinated with other professional development programs and expenditures of the school and school corporation.~~

SECTION 54. IC 20-20-31-15 IS REPEALED [EFFECTIVE JULY 1, 2013]. ~~Sec. 15. A school shall report to the department concerning the use of grants received under this chapter. A school that fails to make a report under this chapter is not eligible for a subsequent grant.~~

SECTION 55. IC 20-20-32 IS REPEALED [EFFECTIVE JULY 1, 2013]. (Technology Apprenticeship Grant Program).

SECTION 56. IC 20-23-2-3, AS ADDED BY P.L.1-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3. (a) A county superintendent may be impeached for immorality, incompetency, or general neglect of duty, or for acting as agent for the sale of any ~~textbook,~~ **curricular materials,** school furniture, maps, charts, or other school supplies.

(b) Impeachment proceedings are governed by the provisions of law for impeaching county officers.

SECTION 57. IC 20-26-5-4, AS AMENDED BY HEA 1357-2013, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 4. (a) 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. However, a governing body may not use funds received from the state to bring or join in an action against the state, unless the governing body is challenging an adverse decision by a state agency, board, or commission.

(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.

(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 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, 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 that are consistent with ~~IC 20-28-9-1.~~ **IC 20-28-9-1.5.**

(C) Classify persons or services described in this subdivision and to adopt schedules of salaries or compensation that are consistent with ~~IC 20-28-9-1.~~ **IC 20-28-9-1.5.**

(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 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) Subject to IC 20-27-13, 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,~~ **curricular materials,** to furnish ~~textbooks~~ **curricular materials** without cost or to rent ~~textbooks~~ **curricular materials** to students, to participate in a ~~textbook~~ **curricular materials** 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 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. In accordance with IC 20-26-17, 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 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.

(b) A superintendent hired under subsection (a)(8):

(1) is not required to hold a teacher's license under IC 20-28-5; and

(2) is required to have obtained at least a master's degree from an accredited postsecondary educational institution.

SECTION 58. IC 20-26-5-35 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 35. A school corporation shall annually compile class size data for kindergarten through grade 3 and report the data to the department by a date established by the department.**

SECTION 59. IC 20-26-11-22, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 22. (a) The transferee corporation is entitled to receive from the transferor corporation transfer tuition for each transferred student for each school year calculated in two (2) parts:

(1) operating cost; and

(2) capital cost.

These costs must be allocated on a per student basis separately for each

class of school.

(b) The operating cost for each class of school must be based on the total expenditures of the transferee corporation for the class from its general fund expenditures as set out on the classified budget forms prescribed by the state board of accounts, excluding from the calculation capital outlay, debt service, costs of transportation, salaries of board members, contracted service for legal expenses and any expenditure that is made out of the general fund from extracurricular account receipts, for the school year.

(c) The capital cost for each class of school must consist of the lesser of the following alternatives:

(1) The capital cost must be based on an amount equal to five percent (5%) of the cost of transferee corporation's physical plant, equipment, and all items connected to the physical plant or equipment, including:

(A) buildings, additions, and remodeling to the buildings, excluding ordinary maintenance; and

(B) on-site and off-site improvements such as walks, sewers, waterlines, drives, and playgrounds;

that have been paid or are obligated to be paid in the future out of the general fund, capital projects fund, or debt service fund, including principal and interest, lease rental payments, and funds that were legal predecessors to these funds. If an item of the physical plant, equipment, appurtenances, or part of the item is more than twenty (20) years old at the beginning of the school year, the capital cost of the item shall be disregarded in making the capital cost computation.

(2) The capital cost must be based on the amount budgeted from the general fund for capital outlay for physical plant, equipment, and appurtenances and the amounts levied for the debt service fund and the capital projects fund for the calendar year in which the school year ends.

(d) If an item of expense or cost cannot be allocated to a class of school, the item shall be prorated to all classes of schools on the basis of the ADM of each class in the transferee corporation compared to the total ADM therein.

(e) The transfer tuition for each student transferred for each school year shall be calculated by dividing the transferee school corporation's total operating costs and the total capital costs for the class of school in which the student is enrolled by the ADM of students therein. If a transferred student is enrolled in a transferee corporation for less than the full school year, the transfer tuition shall be calculated by the proportion of such school year for which the transferred student is enrolled. A school year for this purpose consists of the number of days school is in session for student attendance. A student shall be enrolled in a transferee school, whether or not the student is in attendance, unless the:

(1) student's residence is outside the area of students transferred to the transferee corporation;

(2) student has been excluded or expelled from school; or

(3) student has been confirmed as a school dropout.

The transferor and transferee corporations may enter into written agreements concerning the amount of transfer tuition. If an agreement cannot be reached, the amount shall be determined by the state superintendent, with costs to be established, where in dispute, by the state board of accounts.

(f) The transferor corporation shall pay the transferee corporation, when billed, the amount of ~~book~~ **curricular material** rental due from transferred students who are unable to pay the ~~book~~ **curricular material** rental amount. The transferor corporation is entitled to collect the amount of the ~~book~~ **curricular material** rental from the appropriate township trustee, from its own funds, or from any other source, in the amounts and manner provided by law.

SECTION 60. IC 20-26-12-1, AS AMENDED BY P.L.73-2011, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. (a) Except as provided in subsections (b) and (c) and notwithstanding any other law, each governing body shall purchase from a publisher, either individually or through a purchasing cooperative of school corporations, the ~~textbooks~~ **curricular materials** selected by the proper local officials, and shall rent ~~these textbooks~~ **the curricular materials** to each student enrolled in a public school that is:

(1) in compliance with the minimum certification standards of the state board; and

(2) located within the attendance unit served by the governing body.

(b) This section does not prohibit the purchase of ~~textbooks~~ **curricular materials** at the option of a student or the providing of free ~~textbooks~~ **curricular materials** by the governing body under sections 6 through 21 of this chapter.

(c) This section does not prohibit a governing body from suspending the operation of this section under a contract entered into under IC 20-26-15.

SECTION 61. IC 20-26-12-2, AS AMENDED BY P.L.73-2011, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. (a) A governing body may purchase from a publisher any ~~textbook~~ **curricular material** selected by the proper local officials. The governing body may rent ~~these textbooks~~ **the curricular materials** to students enrolled in any public or nonpublic school that is:

(1) in compliance with the minimum certification standards of the state board; and

(2) located within the attendance unit served by the governing body.

The annual rental rate may not exceed twenty-five percent (25%) of the retail price of the ~~textbooks.~~ **curricular materials.**

(b) Notwithstanding subsection (a), the governing body may not assess a rental fee of more than fifteen percent (15%) of the retail price of ~~a textbook~~ **curricular materials** that ~~has~~ **have** been:

(1) extended for usage by students under section 24(e) of this

chapter; and

(2) paid for through rental fees previously collected.

(c) This section does not limit other laws.

SECTION 62. IC 20-26-12-3, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3. (a) Upon a written determination by the governing body of a school corporation that ~~a textbook~~ **curricular materials** ~~is~~ **are** no longer scheduled for use in the school corporation, the governing body may sell, exchange, transfer, or otherwise convey the ~~textbook.~~ **curricular materials.** However, before a governing body may mutilate or otherwise destroy ~~a textbook,~~ **curricular materials,** the governing body must first comply with the following provisions:

(1) Subsection (b).

(2) Subsection (c).

(3) Section 4 of this chapter.

(4) Section 5 of this chapter.

(b) Before a governing body may mutilate or otherwise destroy ~~a textbook,~~ **curricular materials,** the governing body shall provide at no cost and subject to availability one (1) copy of ~~each textbook~~ **any curricular material** that is no longer scheduled for use in the school corporation to:

(1) the parent of each student who is enrolled in the school corporation and who wishes to receive a copy of the ~~textbook;~~ **curricular material;** and

(2) if any ~~textbooks~~ **curricular materials** remain after distribution under subdivision (1), to any resident of the school corporation who wishes to receive a copy of the ~~textbook.~~ **curricular material.**

(c) If a governing body does not sell, exchange, transfer, or otherwise convey unused ~~textbooks~~ **curricular materials** under subsection (a) or (b), each public elementary and secondary school in the governing body's school corporation shall provide storage for at least three (3) months for the ~~textbooks~~ **curricular materials** in the school corporation. A school corporation may sell or otherwise convey the ~~textbooks~~ **curricular materials** to another school corporation at any time during the period of storage.

SECTION 63. IC 20-26-12-4, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 4. (a) A school corporation shall compile a list of ~~textbooks~~ **curricular materials** in storage under section 3 of this chapter. The list must include the names of the publishers and the number of volumes being stored. The list must be mailed to the department. The department shall maintain a master list of all ~~textbooks~~ **curricular materials** being stored by school corporations.

(b) Upon request, the state superintendent shall mail to a nonprofit corporation or institution located in Indiana a list of ~~textbooks~~ **curricular materials** available for access. A nonprofit corporation or institution may acquire the ~~textbooks~~ **curricular materials** from the appropriate school corporation by paying only the cost of shipping and mailing.

SECTION 64. IC 20-26-12-5, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 5. ~~Textbooks~~ **Curricular materials** stored for at least three (3) months under section 3 of this chapter may not be mutilated or destroyed and must be maintained and stored according to regulations prescribed by local and state health authorities. ~~Textbooks~~ **Curricular materials** that have not been requested after at least three (3) months may be mutilated, destroyed, or otherwise disposed of by the school corporation.

SECTION 65. IC 20-26-12-6, AS AMENDED BY P.L.73-2011, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 6. (a) Sections 7 through 21 of this chapter apply to school libraries that contain free ~~textbooks.~~ **curricular materials.** The ~~textbooks~~ **curricular materials** must be selected by the proper local officials.

(b) As used in sections ~~6~~ **7** through 21 of this chapter, "resident student" means a student enrolled in any of the grades in any school located in a school corporation, whether the student resides there or is transferred there for school purposes.

SECTION 66. IC 20-26-12-7, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. (a) If a petition requesting the establishment of an elementary school library is filed with a governing body, the governing body shall provide a library containing ~~textbooks~~ **curricular materials** in sufficient numbers to meet the needs of every resident student in each of the eight (8) grades of each elementary school. The petition must be signed by at least fifty-one percent (51%) of the registered voters of the governing body's school corporation.

(b) This subsection applies to a governing body that has established an elementary school library under subsection (a). If a petition requesting establishment of a high school library is filed with the governing body, the governing body shall provide a library containing ~~textbooks~~ **curricular materials** in sufficient numbers to meet the needs of every resident student in each of the four (4) grades of each high school. The petition must be signed by at least twenty percent (20%) of the voters of the school corporation as determined by the total vote cast at the last general election for the trustee of the township, clerk of the town, or mayor of the city.

SECTION 67. IC 20-26-12-8, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 8. A petition for an elementary or a high school library under section 7 of this chapter must be in substantially the following form:

To the governing body of the school corporation of _____

We, the undersigned voters of the school corporation of _____ respectfully petition the governing body of the school corporation of _____ to establish an elementary school (or high school, as appropriate) library and to lend its school ~~textbooks~~ **curricular materials** free of charge to the resident students of the school corporation of _____, under IC 20-26-12.

NAME ADDRESS DATE

_____ _____ _____

_____ _____ _____

STATE OF INDIANA)

) SS:

_____ COUNTY)

_____ being duly sworn, deposes and says that he or she is the circulator of this petition paper and that the appended signatures were made in his or her presence and are the genuine signatures of the persons whose names they purport to be. Signed _____

Subscribed and sworn to before me this ____ day of _____, 20 __. _____Notary Public

SECTION 68. IC 20-26-12-13, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 13. If a sufficient petition is filed under section 11 of this chapter, a governing body shall note on the records of the governing body's school corporation that by filing the petition the school corporation must maintain:

(1) an elementary school library containing ~~textbooks~~ **curricular materials** in sufficient numbers to meet the needs of every resident student in each of the first eight (8) grades of each elementary school located within the school corporation; or

(2) a high school library containing ~~textbooks~~ **curricular materials** in sufficient numbers to meet the needs of every resident student in each of the four (4) grades of each high school located within the school corporation;

as applicable.

SECTION 69. IC 20-26-12-14, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 14. (a) This subsection applies to a school corporation described in section 13(1) of this chapter. The governing body shall make the first appropriation from the school corporation's general fund in August following the petition's filing. Not later than the school term following the first appropriation, the library must be established and ~~textbooks~~ **curricular materials** must be loaned to resident students enrolled in the first five (5) grades of the elementary school. Not later than the second school term following the first appropriation, ~~textbooks~~ **curricular materials** must be procured and loaned to resident students enrolled in the eight (8) grades of the elementary school.

(b) This subsection applies to a school corporation described in section 13(2) of this chapter. The governing body shall make the first appropriation from the school corporation's general fund in September following the petition's filing. Not later than the second school term following the first appropriation, the library must be established and ~~textbooks~~ **curricular materials** of the library must be loaned to resident students enrolled in grade nine of the high school. During each following school term, ~~textbooks~~ **curricular materials** must be procured and loaned to resident students for an additional high school grade, in addition to the earlier high school grades.

SECTION 70. IC 20-26-12-15, AS AMENDED BY P.L.73-2011, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 15. (a) A governing body shall purchase the necessary ~~textbooks~~ **curricular materials** from publishers. The publisher shall ship the ~~textbooks~~ **curricular materials** to the governing body not more than ninety (90) days after the requisition. On receipt of the ~~textbooks,~~ **curricular materials,** the governing body's school corporation has custody of the ~~textbooks.~~ **curricular materials.** The governing body shall provide a receipt to the contracting publisher and reimburse the contracting publisher the amount owed by the school corporation from the school corporation's general fund.

(b) A governing body shall purchase ~~textbooks:~~ **curricular materials:**

(1) from a resident student who presents the ~~textbooks~~ **curricular materials** for sale on or before the beginning of the school term in which the ~~books~~ **curricular materials** are to be used;

(2) with money from the school corporation's general fund; and

(3) at a price based on the original price to the school corporation minus a reasonable reduction for damage from usage.

SECTION 71. IC 20-26-12-16, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 16. Upon receipt of the ~~textbooks,~~ **curricular materials,** a governing body shall loan the ~~textbooks~~ **curricular materials** at no charge to each resident student. Library ~~textbooks~~ **curricular materials** are available to each resident student under this chapter and under regulations prescribed by the superintendent and governing body of the school corporation.

SECTION 72. IC 20-26-12-17, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 17. (a) If a student transfers to a school corporation other than the one in which the student resides under IC 20-26-11, the governing body of the school corporation to which the student transfers shall purchase a sufficient supply of ~~books~~ **curricular materials** for the transferred student.

(b) In the annual settlement between the school corporations for tuition of transferred students, the amounts must include rental of the ~~books~~ **curricular materials** furnished to the transferred students. The state board shall determine the rental rate.

SECTION 73. IC 20-26-12-18, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 18. A governing body may provide a sufficient ~~number~~ **amount** of ~~textbooks~~ **curricular materials** for sale to resident students at the price stipulated in the contracts under which the ~~textbooks~~ **curricular materials** are supplied to the governing body's school corporation. Proceeds from sales under this section must be paid into the school corporation's general fund.

SECTION 74. IC 20-26-12-19, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 19. A governing body shall provide sufficient library facilities for the ~~textbooks~~ **curricular materials** to best

accommodate the resident students.

SECTION 75. IC 20-26-12-20, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 20. A governing body shall prescribe reasonable rules and regulations for the care, custody, and return of library ~~textbooks.~~ **curricular materials.** A resident student using library ~~textbooks~~ **curricular materials** is responsible for the loss, mutilation, or defacement of the library ~~textbooks,~~ **curricular materials,** other than reasonable wear.

SECTION 76. IC 20-26-12-21, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 21. A governing body shall provide for the fumigation or destruction of library ~~textbooks~~ **curricular materials** at the times and under regulations prescribed by local and state health authorities. Before a governing body may mutilate or otherwise destroy ~~a textbook,~~ **curricular materials,** the governing body shall provide at no cost and subject to availability one (1) copy of ~~each textbook~~ **any curricular material** that is no longer scheduled for use in the school corporation to:

(1) the parent of each child who is enrolled in the school corporation and who wishes to receive a copy of the ~~textbook;~~ **curricular material;** and

(2) if any ~~textbooks~~ **curricular materials** remain after distribution under subdivision (1), to any resident of the school corporation who wishes to receive a copy of the ~~textbook.~~ **curricular material.**

SECTION 77. IC 20-26-12-22, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 22. If a school corporation purchases ~~textbooks~~ **curricular materials** on a time basis:

(1) the schedule for payments shall coincide with student payments to the school corporation for ~~textbook~~ **curricular material** rental; and

(2) the schedule must not require the school corporation to assume a greater burden than payment of twenty-five percent (25%) within thirty (30) days after the beginning of the school year immediately following delivery by the contracting publisher with the school corporation's promissory note evidencing the unpaid balance.

SECTION 78. IC 20-26-12-23, AS AMENDED BY P.L.73-2011, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 23. (a) A school corporation may:

(1) borrow money to buy ~~textbooks;~~ **curricular materials;** and

(2) issue notes, maturing serially in not more than six (6) years and payable from its general fund, to secure the loan.

However, when an adoption is made by the proper local officials for less than six (6) years, the period for which the notes may be issued is limited to the period for which that adoption is effective.

(b) Notwithstanding subsection (a), a school township may not borrow money to purchase ~~textbooks~~ **curricular materials** unless a

petition requesting such an action and bearing the signatures of twenty-five percent (25%) of the resident taxpayers of the school township has been presented to and approved by the township trustee and township board.

SECTION 79. IC 20-26-12-24, AS AMENDED BY P.L.229-2011, SECTION 174, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 24. (a) The superintendent shall establish procedures for ~~textbook~~ adoption **of curricular materials.**

(b) The governing body, upon receiving these recommendations from the superintendent, shall adopt ~~a textbook~~ **curricular materials** for use in teaching each subject in the school corporation.

(c) A special committee of teachers and parents may also be appointed to review books, magazines, and audiovisual material used or proposed for use in the classroom to supplement state adopted ~~textbooks~~ **curricular materials** and may make recommendations to the superintendent and the governing body concerning the use of ~~this material.~~ **these materials.**

(d) ~~A textbook~~ **Curricular materials** selected shall be used for the lesser of:

(1) six (6) years; or

(2) the effective period of the academic standards adopted by the state board to which ~~that textbook is~~ **the curricular materials are** aligned.

(e) A selection may be extended beyond that period for up to six (6) years.

(f) The governing body may, if the governing body considers it appropriate, retain ~~a textbook~~ **curricular materials** adopted under this section and authorize the purchase of supplemental materials to ensure continued alignment with academic standards adopted by the state board.

(g) The superintendent, advisory committee, and governing body may consider using the list of curricular materials ~~(as defined in IC 20-20-5.5-1)~~ provided by the department under IC 20-20-5.5.

(h) Notwithstanding subsection (g) and this chapter, the superintendent, advisory committee, and governing body shall adopt reading ~~textbooks~~ **curricular materials** from the list of recommended curricular materials provided by the department under IC 20-20-5.5.

(i) A governing body may not purchase ~~textbooks~~ **curricular materials** from a publisher unless the publisher agrees, in accordance with Sections 612(a)(23)(A) and ~~674(4)~~ **674(e)(4)** of the Individuals with Disabilities Education **Improvement** Act 2004 (20 U.S.C. 1400 et seq.), to provide or grant a license to the school corporation to allow for the reproduction of adopted ~~textbooks~~ **curricular materials** in:

(1) large type;

(2) Braille; and

(3) audio format.

SECTION 80. IC 20-26-12-25 IS REPEALED [EFFECTIVE JULY 1, 2013]. ~~Sec. 25. After a local superintendent has selected textbooks under this chapter, and not later than July 1, when new contracts become effective, the superintendent shall forward to the state board a~~

~~list of those selections for all subjects and grades.~~

SECTION 81. IC 20-26-12-26, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 26. If a family moves during the school term from one (1) school corporation to another within the state, the corporation from which they move shall:

(1) evaluate the affected children's ~~textbooks;~~ **curricular materials;** and

(2) offer to purchase the ~~textbooks~~ **curricular materials** at a reasonable price for resale to any family that moves into that corporation during a school term.

SECTION 82. IC 20-26-13-5, AS AMENDED BY P.L.7-2011, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 5. (a) As used in this chapter, "graduation" means the successful completion by a student of:

(1) a sufficient number of academic credits, or the equivalent of academic credits; and

(2) the graduation examination or waiver process required under IC 20-32-3 through ~~IC 20-32-6;~~ **IC 20-32-5;**

resulting in the awarding of a high school diploma or an academic honors diploma.

(b) The term does not include the granting of a general educational development diploma under IC 20-20-6 (before its repeal) or IC 22-4.1-18.

SECTION 83. IC 20-26-15-5, AS AMENDED BY P.L.6-2012, SECTION 133, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 5. Notwithstanding any other law, the operation of the following is suspended for a freeway school corporation or a freeway school if the governing body of the school corporation elects to have the specific statute or rule suspended in the contract:

(1) The following statutes and rules concerning curriculum and instructional time:

IC 20-30-2-7
IC 20-30-5-8
IC 20-30-5-9
IC 20-30-5-11
511 IAC 6-7-6
511 IAC 6.1-5-0.5
511 IAC 6.1-5-1
511 IAC 6.1-5-2.5
511 IAC 6.1-5-3.5
511 IAC 6.1-5-4.

(2) The following rule concerning pupil/teacher ratios:

511 IAC 6.1-4-1.

(3) The following statutes and rules concerning ~~textbooks:~~ **curricular materials:**

IC 20-26-12-24
IC 20-26-12-26
IC 20-26-12-1

IC 20-26-12-2
511 IAC 6.1-5-5.
(4) 511 IAC 6-7, concerning graduation requirements.
(5) IC 20-31-4, concerning the performance based accreditation system.
(6) IC 20-32-5, concerning the ISTEP program established under IC 20-32-5-15, if an alternative locally adopted assessment program is adopted under section 6(7) of this chapter.

SECTION 84. IC 20-27-7-3, AS ADDED BY P.L.1-2005, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3. If the inspection required under section 1 of this chapter reveals that a school bus meets all safety requirements, the inspecting officer shall ~~issue to the owner of the school bus a certificate that the school bus has been inspected and that it complies with the safety requirements.~~ **attach to the bus a certificate of inspection and document the certification in the state police department's school bus inspection data base.** Except as provided in sections 5 through 7 of this chapter, a certificate of inspection issued under this section is valid until September 30 of the school year following the school year for which the certificate is issued.

SECTION 85. IC 20-27-7-16 IS REPEALED [EFFECTIVE JULY 1, 2013]. ~~Sec. 16. When the owner of a school bus applies for a registration plate under IC 9-18-2-7 or IC 9-18-2-8.5, the owner shall submit with the application a certificate of inspection issued under section 3 of this chapter. If the certificate of inspection does not accompany an owner's application, the bureau of motor vehicles may not issue a registration plate.~~

SECTION 86. IC 20-28-2-6, AS AMENDED BY P.L.90-2011, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 6. (a) Subject to subsection (c) and in addition to the powers and duties set forth in ~~IC 20-20-22 or~~ this article, the state board may adopt rules under IC 4-22-2 to do the following:
(1) Set standards for teacher licensing and for the administration of a professional licensing and certification process by the department.
(2) Approve or disapprove teacher preparation programs.
(3) Set fees to be charged in connection with teacher licensing.
(4) Suspend, revoke, or reinstate teacher licenses.
(5) Enter into agreements with other states to acquire reciprocal approval of teacher preparation programs.
(6) Set standards for teacher licensing concerning new subjects of study.
(7) Evaluate work experience and military service concerning postsecondary education and experience equivalency.
(8) Perform any other action that:
(A) relates to the improvement of instruction in the public schools through teacher education and professional development through continuing education; and
(B) attracts qualified candidates for teacher education from among the high school graduates of Indiana.

(9) Set standards for endorsement of school psychologists as independent practice school psychologists under IC 20-28-12.

(10) Before July 1, 2011, set standards for sign language interpreters who provide services to children with disabilities in an educational setting and an enforcement mechanism for the interpreter standards.

(b) Notwithstanding subsection (a)(1), an individual is entitled to one (1) year of occupational experience for purposes of obtaining an occupational specialist certificate under this article for each year the individual holds a license under IC 25-8-6.

(c) The state board may adopt rules under IC 4-22-2, including emergency rules under IC 4-22-2-37.1, to establish procedures to expedite the issuance, renewal, or reinstatement under this article of a license or certificate of a person whose spouse serves on active duty (as defined in IC 25-1-12-2) and is assigned to a duty station in Indiana.

SECTION 87. IC 20-28-7.5-1, AS ADDED BY P.L.90-2011, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011 (RETROACTIVE)]: Sec. 1. (a) This chapter applies to a teacher in a school corporation (as defined in IC 20-18-2-16(a)).

(b) A principal may decline to continue a probationary teacher's contract under sections 2 through 4 of this chapter if the probationary teacher:

(1) receives an ineffective designation on a performance evaluation under IC 20-28-11.5;

(2) receives two (2) consecutive improvement necessary ratings on a performance evaluation under IC 20-28-11.5; or

(3) is subject to a justifiable decrease in the number of teaching positions or any reason relevant to the school corporation's interest.

(c) Except as provided in subsection (e), a principal may not decline to continue a professional or established teacher's contract unless the teacher is subject to a justifiable decrease in the number of teaching positions.

(d) After June 30, 2012, the cancellation of teacher's contracts due to a justifiable decrease in the number of teaching positions shall be determined on the basis of performance rather than seniority. In cases where teachers are placed in the same performance category, any of the items in ~~IC 20-28-9-1(b)~~ **IC 20-28-9-1.5(b)** may be considered.

(e) A contract with a teacher may be canceled immediately in the manner set forth in sections 2 through 4 of this chapter for any of the following reasons:

(1) Immorality.

(2) Insubordination, which means a willful refusal to obey the state school laws or reasonable rules adopted for the governance of the school building or the school corporation.

(3) Justifiable decrease in the number of teaching positions.

(4) Incompetence, including receiving:

(A) an ineffective designation on two (2) consecutive performance evaluations under IC 20-28-11.5; or

(B) an ineffective designation or improvement necessary

rating in three (3) years of any five (5) year period.

(5) Neglect of duty.

(6) A conviction for an offense listed in IC 20-28-5-8(c).

(7) Other good or just cause.

SECTION 88. IC 20-28-7.5-6, AS ADDED BY P.L.90-2011, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011 (RETROACTIVE)]: Sec. 6. A contract entered into by a teacher and a school employer continues in force on the same terms and for the same wages, unless increased under ~~IC 20-28-9-1,~~ **IC 20-28-9-1.5,** for the next school term following the date of the contract's termination unless one (1) of the following occurs:

(1) The school corporation refuses continuation of the contract under this chapter.

(2) The teacher delivers in person or by registered or certified mail to the school corporation the teacher's written resignation.

(3) The contract is replaced by another contract agreed to by the parties.

SECTION 89. IC 20-28-9-1 IS REPEALED [EFFECTIVE JULY 1, 2011 (RETROACTIVE)]:. ~~Sec. 1. (a) This subsection takes effect July 1, 2012, or upon the expiration of a contract in existence on July 1, 2011, whichever is earlier, and governs salary increases for a teacher employed by a school corporation on or after the date this subsection takes effect. Compensation attributable to additional degrees or graduate credits earned before the effective date of the local salary schedule created under this chapter shall continue. Compensation attributable to additional degrees for which a teacher has started course work before July 1, 2011, and completed course work before September 2, 2014, shall also continue.~~

~~(b) Increases or increments in a local salary scale must be based upon a combination of the following factors:~~

~~(1) A combination of the following factors taken together may account for not more than thirty-three percent (33%) of the calculation used to determine a teacher's increase or increment:~~

~~(A) The number of years of a teacher's experience.~~

~~(B) The attainment of either:~~

~~(i) additional content area degrees beyond the requirements for employment; or~~

~~(ii) additional content area degrees and credit hours beyond the requirements for employment, if required under an agreement bargained under IC 20-29.~~

~~(2) The results of an evaluation conducted under IC 20-28-11.5.~~

~~(3) The assignment of instructional leadership roles, including the responsibility for conducting evaluations under IC 20-28-11.5.~~

~~(4) The academic needs of students in the school corporation.~~

~~(c) A teacher rated ineffective or improvement necessary under IC 20-28-11.5 may not receive any raise or increment for the following year if the teacher's employment contract is continued. The amount that would otherwise have been allocated for the salary increase of teachers rated ineffective or improvement necessary shall be allocated for compensation of all teachers rated effective and highly effective based~~

~~on the criteria in subsection (b).~~

~~(d) A teacher who does not receive a raise or increment under subsection (c) may file a request with the superintendent or superintendent's designee not later than five (5) days after receiving notice that the teacher received a rating of ineffective. The teacher is entitled to a private conference with the superintendent or superintendent's designee.~~

~~(e) Not later than January 31, 2012, the department shall publish a model salary schedule that a school corporation may adopt.~~

~~(f) Each school corporation shall submit its local salary schedule to the department. The department shall publish the local salary schedules on the department's Internet web site.~~

~~(g) The department shall report any noncompliance of this section to the state board.~~

~~(h) The state board shall take appropriate action to ensure compliance with this section.~~

~~(i) This chapter may not be construed to require or allow a school corporation to decrease the salary of any teacher below the salary the teacher was earning on or before July 1, 2012, if that decrease would be made solely to conform to the new salary scale.~~

SECTION 90. IC 20-28-9-1.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011 (RETROACTIVE)]: **Sec. 1.5. (a) This subsection applies to a contract in effect July 1, 2012, or upon the expiration of a contract in existence on July 1, 2011, whichever is earlier, and governs salary increases for a teacher employed by a school corporation on or after the date this subsection takes effect. Compensation attributable to additional degrees or graduate credits earned before the effective date of the local salary schedule created under this chapter shall continue. Compensation attributable to additional degrees for which a teacher has started course work before July 1, 2011, and completed course work before September 2, 2014, shall also continue.**

(b) Increases or increments in a local salary scale must be based upon a combination of the following factors:

(1) A combination of the following factors taken together may account for not more than thirty-three percent (33%) of the calculation used to determine a teacher's increase or increment:

(A) The number of years of a teacher's experience.

(B) The attainment of either:

(i) additional content area degrees beyond the requirements for employment; or

(ii) additional content area degrees and credit hours beyond the requirements for employment, if required under an agreement bargained under IC 20-29.

(2) The results of an evaluation conducted under IC 20-28-11.5.

(3) The assignment of instructional leadership roles, including the responsibility for conducting evaluations under IC 20-28-11.5.

(4) The academic needs of students in the school corporation.

(c) A teacher rated ineffective or improvement necessary under IC 20-28-11.5 may not receive any raise or increment for the following year if the teacher's employment contract is continued. The amount that would otherwise have been allocated for the salary increase of teachers rated ineffective or improvement necessary shall be allocated for compensation of all teachers rated effective and highly effective based on the criteria in subsection (b).

(d) A teacher who does not receive a raise or increment under subsection (c) may file a request with the superintendent or superintendent's designee not later than five (5) days after receiving notice that the teacher received a rating of ineffective. The teacher is entitled to a private conference with the superintendent or superintendent's designee.

(e) Not later than January 31, 2012, the department shall publish a model salary schedule that a school corporation may adopt.

(f) Each school corporation shall submit its local salary schedule to the department. The department shall publish the local salary schedules on the department's Internet web site.

(g) The department shall report any noncompliance with this section to the state board.

(h) The state board shall take appropriate action to ensure compliance with this section.

(i) This chapter may not be construed to require or allow a school corporation to decrease the salary of any teacher below the salary the teacher was earning on or before July 1, 2012, if that decrease would be made solely to conform to the new salary scale.

(j) After June 30, 2011, all rights, duties, or obligations established under IC 20-28-9-1 before its repeal are considered rights, duties, or obligations under this section.

SECTION 91. IC 20-29-6-4, AS AMENDED BY P.L.48-2011, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011 (RETROACTIVE)]: Sec. 4. (a) A school employer shall bargain collectively with the exclusive representative on the following:

(1) Salary.

(2) Wages.

(3) Salary and wage related fringe benefits, including accident, sickness, health, dental, vision, life, disability, retirement benefits, and paid time off as permitted to be bargained under IC 20-28-9-11.

(b) Salary and wages include the amounts of pay increases available to employees under the salary scale adopted under ~~IC 20-28-9-1,~~ **IC 20-28-9-1.5,** but do not include the teacher evaluation procedures and criteria, or any components of the teacher evaluation plan, rubric, or tool.

SECTION 92. IC 20-29-6-7, AS AMENDED BY P.L.48-2011, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. A school employer shall discuss with the exclusive representative of certificated employees the following items:

(1) Curriculum development and revision.

(2) ~~Textbook~~ Selection **of curricular materials.**
(3) Teaching methods.
(4) Hiring, evaluation, promotion, demotion, transfer, assignment, and retention of certificated employees.
(5) Student discipline.
(6) Expulsion or supervision of students.
(7) Pupil/teacher ratio.
(8) Class size or budget appropriations.
(9) Safety issues for students and employees in the workplace, except those items required to be kept confidential by state or federal law.
(10) Hours.

SECTION 93. IC 20-30-5-2, AS ADDED BY P.L.1-2005, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. (a) Each public and nonpublic high school shall provide a required course that is:

(1) not less than one (1) year of school work; and
(2) in the:
(A) historical;
(B) political;
(C) civic;
(D) sociological;
(E) economical; and
(F) philosophical;
aspects of the constitutions of Indiana and the United States.

(b) The state board shall:
(1) prescribe the course described in this section and the course's appropriate outlines; and
(2) adopt the necessary ~~textbooks~~ **curricular materials** for uniform instruction.

(c) A high school student may not receive a diploma unless the student has successfully completed the interdisciplinary course described in this section.

SECTION 94. IC 20-30-5-7.5, AS ADDED BY P.L.54-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7.5. (a) This section does not apply to a student who:

(1) is in half-day kindergarten; or
(2) has a medical condition that precludes participation in the daily physical activity provided under this section.

(b) Beginning in the 2006-2007 school year, the governing body of each school corporation shall provide daily physical activity for students in elementary school. The physical activity ~~must be consistent with the curriculum and programs developed under IC 20-19-3-6 and~~ may include the use of recess. On a day when there is inclement weather or unplanned circumstances have shortened the school day, the school corporation may provide physical activity alternatives or elect not to provide physical activity.

SECTION 95. IC 20-30-5-17, AS ADDED BY P.L.1-2005, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

JULY 1, 2013]: Sec. 17. (a) A school corporation shall make available for inspection by the parent of a student any instructional materials, including:

(1) teachers' manuals;

(2) ~~textbooks;~~ **curricular materials;**

(3) films or other video materials;

(4) tapes; and

(5) other materials;

used in connection with a personal analysis, an evaluation, or a survey described in subsection (b).

(b) A student shall not be required to participate in a personal analysis, an evaluation, or a survey that is not directly related to academic instruction and that reveals or attempts to affect the student's attitudes, habits, traits, opinions, beliefs, or feelings concerning:

(1) political affiliations;

(2) religious beliefs or practices;

(3) mental or psychological conditions that may embarrass the student or the student's family;

(4) sexual behavior or attitudes;

(5) illegal, antisocial, self-incriminating, or demeaning behavior;

(6) critical appraisals of other individuals with whom the student has a close family relationship;

(7) legally recognized privileged or confidential relationships, including a relationship with a lawyer, minister, or physician; or

(8) income (except as required by law to determine eligibility for participation in a program or for receiving financial assistance under a program);

without the prior consent of the student if the student is an adult or an emancipated minor or the prior written consent of the student's parent if the student is an unemancipated minor. A parental consent form for a personal analysis, an evaluation, or a survey described in this section shall accurately reflect the contents and nature of the personal analysis, evaluation, or survey.

(c) The department and the governing body shall give parents and students notice of their rights under this section.

(d) The governing body shall enforce this section.

SECTION 96. IC 20-30-8-7, AS AMENDED BY P.L.2-2006, SECTION 144, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. The program organizer may request the approval from the department for the following:

(1) To receive the grant for alternative education programs under IC 20-20-33.

(2) To be granted waivers from rules adopted by the state board that may otherwise interfere with the objectives of the alternative education program, including waivers of:

(A) certain high school graduation requirements;

(B) the length of the student instructional day as set forth in IC 20-30-2-2;

(C) required curriculum and ~~textbooks;~~ **curricular materials;**

(D) teacher certification requirements; and

(E) physical facility requirements.

SECTION 97. IC 20-30-9-7, AS AMENDED BY P.L.234-2007, SECTION 110, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. The state superintendent may assist and stimulate school corporations in developing and establishing bilingual-bicultural educational services and programs specifically designed to improve educational opportunities for non-English dominant students. Funds may be used for the following:

(1) To provide educational services not available to the non-English dominant students in sufficient quantity or quality, including:

(A) remedial and compensatory instruction, psychological, and other services designed to assist and encourage non-English dominant students to enter, remain in, or reenter elementary or secondary school;

(B) comprehensive academic instruction and career and technical instruction;

(C) instructional materials (such as library books, ~~textbooks,~~ **curricular materials,** and other printed or published or audiovisual materials) and equipment;

(D) comprehensive guidance, counseling, and testing services;

(E) special education programs for persons with disabilities;

(F) preschool programs; and

(G) other services that meet the purposes of this subdivision.

(2) To establish and operate exemplary and innovative educational programs and resource centers that involve new educational approaches, methods, and techniques designed to enrich programs of elementary and secondary education for non-English dominant students.

SECTION 98. IC 20-30-10-2, AS ADDED BY P.L.1-2005, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. (a) The state board shall adopt the following:

(1) College/technology preparation curriculum models that may include all or part of the ~~following:~~

~~(A)~~ ~~The~~ college preparation curriculum models developed by the department under section 1 of this chapter.

~~(B) The technology preparation curriculum models developed by the technology preparation task force under IC 20-20-10.~~

(2) Teacher and staff training to implement the college/technology preparation curriculum models.

(b) The college/technology preparation curriculum models that the state board adopts under subsection (a) must meet the conditions listed in

~~(1)~~ section 3 of this chapter. ~~and~~

~~(2) IC 20-20-10-3.~~

SECTION 99. IC 20-30-12-1, AS ADDED BY P.L.1-2005, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. The department shall require all school corporations to make available to the school corporation's high school students the technology preparation curriculum developed ~~under~~

~~IC 20-20-10.~~ **by the state board.**

SECTION 100. IC 20-31-3-4, AS ADDED BY P.L.1-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 4. The state superintendent shall appoint an academic standards committee composed of subject area teachers **and parents** during the period when a subject area is undergoing revision.

SECTION 101. IC 20-31-5-5, AS ADDED BY P.L.1-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 5. (a) A plan may include a request for a waiver of applicability of a rule or statute to a school.

(b) The governing body may waive any rule adopted by the state board for which a waiver is requested in a plan, except for a rule that is characterized as follows:

(1) The rule relates to the health or safety of students or school personnel.

(2) The rule is a special education rule under 511 IAC 7.

(3) Suspension of the rule brings the school into noncompliance with federal statutes or regulations.

(4) The rule concerns curriculum or ~~textbooks.~~ **curricular materials.**

(c) Upon request of the governing body and under a plan, the state board may waive for a school or a school corporation any statute or rule relating to the following:

(1) Curriculum.

(2) ~~Textbook~~ Selection **of curricular materials.**

SECTION 102. IC 20-31-8-2, AS ADDED BY P.L.1-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. (a) In addition to scores on the ISTEP program test and other assessments, the department shall use the performance indicators developed under section 1 of this chapter and the benchmarks and indicators of performance in each school corporation's annual performance report as a secondary means of assessing the ~~improvement~~ **performance** of each school and school corporation.

(b) The department shall assess ~~improvement~~ **school performance** in the following manner:

(1) Compare **the academic performance and growth of the individual students in** each school and each school corporation with ~~its own~~ **the** prior **academic** performance **and growth of the individual students in the school or school corporation** and not to the performance of other schools or school corporations.

(2) Compare the results in the annual report under IC 20-20-8 with the benchmarks and indicators of performance established in the plan for the same school.

(3) Compare the results for a school by comparing each student's results for each grade with the student's prior year results, with an adjustment for student mobility rate. The education roundtable shall make recommendations concerning the incorporation of a statistical adjustment for student mobility rates into the results.

(4) Compare the results for a school with the state average and the ninety-fifth percentile level for all assessments and performance

indicators.

SECTION 103. IC 20-31-8-3, AS ADDED BY P.L.1-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3. The state board shall establish a number of categories, ~~or designations of school improvement~~ **using an "A" through "F" grading scale, to designate performance** based on the ~~improvement that a school makes in performance of the measures determined by the board with the advice of the education roundtable. The categories or designations must reflect various levels of improvement.~~ **individual student academic performance and growth to proficiency in each school.**

SECTION 104. IC 20-31-8-4, AS ADDED BY P.L.1-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 4. The state board shall place each school in a category or designation of school ~~improvement~~ **performance** based on the department's findings from the assessment of ~~the improvement of each school~~ **performance and academic growth** under section 2 of this chapter. ~~The state board must place those schools that do not show improvement and in which less than ninety percent (90%) of the students meet academic standards in the lowest category or designation.~~

SECTION 105. IC 20-31-8-5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 5. (a) Not later than November 15, 2013, the state board shall establish new categories or designations of school performance under the requirements of this chapter to replace 511 IAC 6.2-6. The new standards of assessing school performance:**

(1) must be based on a measurement of individual student academic performance and growth to proficiency; and

(2) may not be based on a measurement of student performance or growth compared with peers.

511 IAC 6.2-6 is void on the effective date of the emergency or final rules adopted under this section.

(b) After July 1, 2013, the state board:

(1) shall adopt rules under IC 4-22-2; and

(2) may adopt emergency rules in the manner provided in IC 4-22-2-37.1;

to implement this chapter.

(c) An emergency rule adopted under subsection (b) expires on the earlier of:

(1) November 15, 2014; or

(2) the effective date of a rule that establishes categories or designations of school improvement described in this section and supersedes the emergency rule.

(d) Before beginning the rulemaking process to establish new categories or designations of school improvement, the state board shall report to the general assembly the proposed new categories or designations in an electronic format under IC 5-14-6.

SECTION 106. IC 20-31-8-6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS

[EFFECTIVE UPON PASSAGE]: **Sec. 6. (a) This section applies to a school that has appealed the school's placement in a category or designation under section 4 of this chapter.**

(b) If as a result of an appeal a school's placement in a category or designation under section 4 of this chapter changes, the department shall:

(1) change the category or designation in the department's records;

(2) notify the school of the change; and

(3) disseminate information concerning the change in the school's placement in the same manner as information concerning the school's original placement was disseminated.

SECTION 107. IC 20-31-12 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]:

Chapter 12. School Recognition Programs

Sec. 1. As used in this chapter, "recognition program" refers to a system by which a school is recognized for the school's performance, including programs established by statute, rule, or department policy.

Sec. 2. The department may not establish criteria for a nonpublic school to be eligible for a recognition program that are different from the criteria established for a public school of the same grade levels.

SECTION 108. IC 20-32-5-9, AS ADDED BY P.L.1-2005, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 9. **(a) As used in this section, "ISTEP program test" includes any statewide assessment that a student is required to complete.**

~~(a)~~ **(b)** After reports of student scores are returned to a school corporation, the school corporation shall promptly do the following:

(1) Give each student and the student's parent the student's ISTEP program test scores.

(2) Make available for inspection to each student and the student's parent the following:

(A) A copy of ~~the essay~~ **all** questions **that are not multiple choice or true and false** and prompts used in assessing the student.

(B) A copy of the student's scored ~~essays.~~ **responses.**

(C) A copy of the anchor papers and scoring rubrics used to score the student's ~~essays.~~ **responses.**

A student's parent may request a rescoring of a student's responses to ~~a~~ **an ISTEP program** test, including a student's essay.

~~(b)~~ **(c)** A student's ISTEP program **test** scores may not be disclosed to the public.

SECTION 109. IC 20-32-5-18 IS REPEALED [EFFECTIVE JULY 1, 2013]. ~~Sec. 18. (a) The department shall establish a pilot program to examine innovative testing methods.~~

~~(b) The department shall select a representative sample of school corporations determined through an application procedure to participate in the pilot program under this section.~~

~~(c) The types of methods authorized under this program include the following:~~

~~(1) Recently developed techniques for measuring higher order thinking skills.~~

~~(2) Performance testing of academic standards that are difficult to measure by a written test format.~~

~~(3) Expanded subject area assessment using student writing samples.~~

~~(d) The funds necessary to implement a pilot program under this section shall be expended from the research and development program under IC 20-20-11.~~

SECTION 110. IC 20-32-5-21, AS ADDED BY P.L.1-2005, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 21. (a) The state board may require schools to participate in national or international assessments.

(b) The state board may establish an assessment to be administered at the conclusion of each Core 40 course in English/language arts, mathematics, social studies, and science. However, participation in a Core 40 assessment established under this subsection must be voluntary on the part of a school corporation.

(c) The state board may establish a diagnostic reading assessment for use in grades 1 and 2 to promote grade level reading competency by grade 3. However, participation in a reading assessment established under this subsection must be voluntary on the part of a school corporation.

(d) The state board may establish assessments to supplement ISTEP assessments for secondary school students.

SECTION 111. IC 20-32-6 IS REPEALED [EFFECTIVE JULY 1, 2013]. (ISTEP Program Citizens' Review Committee).

SECTION 112. IC 20-33-5-3, AS AMENDED BY P.L.73-2011, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3. (a) If a parent of a child or an emancipated minor who is enrolled in a public school, in kindergarten or grades 1 through 12, meets the financial eligibility standard under section 2 of this chapter, the parent or the emancipated minor may not be required to pay the fees for ~~school books,~~ **curricular materials,** supplies, or other required class fees. The fees shall be paid by the school corporation that the child attends.

(b) The school corporation may apply for a reimbursement under section 7 of this chapter from the department of the costs incurred under subsection (a).

(c) To the extent the reimbursement received by the school corporation is less than the ~~textbook~~ rental fee assessed for ~~textbooks~~ **curricular materials,** ~~that have been adopted under IC 20-20-5-1 through IC 20-20-5-4,~~ the school corporation may request that the parent or emancipated minor pay the balance of this amount.

SECTION 113. IC 20-33-5-7, AS AMENDED BY P.L.229-2011, SECTION 192, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. (a) If a determination is made that the applicant is eligible for assistance, the school corporation shall

pay the cost of the student's required fees.

(b) A school corporation shall receive a reimbursement from the department for some or all of the costs incurred by a school corporation during a school year in providing ~~textbook~~ **curricular materials** assistance to students who are eligible under section 2 of this chapter.

(c) To be guaranteed some level of reimbursement from the department, the governing body of a school corporation shall request the reimbursement before November 1 of a school year.

(d) In its request, the governing body shall certify to the department:

(1) the number of students who are enrolled in that school corporation and who are eligible for assistance under this chapter;

(2) the costs incurred by the school corporation in providing:

(A) ~~textbooks~~ **curricular materials** (including ~~textbooks~~ **curricular materials** used in special education and high ability classes) to these students;

(B) workbooks, digital content, and consumable ~~textbooks~~ **curricular materials** (including workbooks, consumable ~~textbooks,~~ **curricular materials,** and other consumable instructional materials that are used in special education and high ability classes) that are used by students for not more than one (1) school year; **and**

(C) instead of the purchase of ~~textbooks,~~ **curricular materials,** developmentally appropriate material for instruction in kindergarten through the grade 3 level, laboratories, and children's literature programs; ~~and~~

~~(D) curricular materials; (as defined in IC 20-20-5.5-1);~~

(3) that ~~each textbook~~ **the curricular materials** described in subdivision (2)(A) (except ~~those textbooks~~ **curricular materials** used in special education classes and high ability classes) ~~has~~ **have** been adopted by the governing body; and

(4) any other information required by the department.

(e) Each school within a school corporation shall maintain complete and accurate information concerning the number of students determined to be eligible for assistance under this chapter. This information shall be provided to the department upon request.

(f) Parents receiving other governmental assistance or aid that considers educational needs in computing the entire amount of assistance granted may not be denied assistance if the applicant's total family income does not exceed the standards established by this chapter.

(g) The amount of reimbursement that a school corporation is entitled to receive shall be determined as provided in section 9.5 of this chapter.

SECTION 114. IC 20-33-5-9, AS AMENDED BY P.L.229-2011, SECTION 193, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 9. (a) If a parent of a child or an emancipated minor who is enrolled in an accredited nonpublic school meets the financial eligibility standard under section 2 of this chapter, the parent or the emancipated minor may receive a reimbursement from the department as provided in this chapter for the costs or some of the

costs incurred by the parent or emancipated minor in fees that are reimbursable under section 7 of this chapter.

(b) The department shall provide each accredited nonpublic school with sufficient application forms for assistance, prescribed by the state board of accounts.

(c) Each accredited nonpublic school shall provide the parents or emancipated minors who wish to apply for assistance with:

(1) the appropriate application forms; and

(2) any assistance needed in completing the application form.

(d) The parent or emancipated minor shall submit the application to the accredited nonpublic school. The accredited nonpublic school shall make a determination of financial eligibility subject to appeal by the parent or emancipated minor.

(e) If a determination is made that the applicant is eligible for assistance, subsection (a) applies.

(f) To be guaranteed some level of reimbursement from the department, the principal or other designee shall submit the reimbursement request before November 1 of a school year.

(g) In its request, the principal or other designee shall certify to the department:

(1) the number of students who are enrolled in the accredited nonpublic school and who are eligible for assistance under this chapter;

(2) the costs incurred in providing:

(A) ~~textbooks~~ **curricular materials** (including ~~textbooks~~ **curricular materials** used in special education and high ability classes); **and**

(B) workbooks, digital content, and consumable ~~textbooks~~ **curricular materials** (including workbooks, consumable ~~textbooks,~~ **curricular materials,** and other consumable teaching materials that are used in special education and high ability classes) that are used by students for not more than one (1) school year; ~~and~~

~~(C) curricular materials (as defined in IC 20-20-5.5-1);~~

(3) that ~~each textbook~~ **the curricular materials** described in subdivision (2)(A) (except ~~those textbooks~~ **any curricular materials** used in special education classes and high ability classes) ~~has~~ **have** been adopted by the governing body; and

(4) any other information required by the department.

(h) The amount of reimbursement that a parent or emancipated minor is entitled to receive shall be determined as provided in section 9.5 of this chapter.

(i) The accredited nonpublic school shall distribute the money received under this chapter to the appropriate eligible parents or emancipated minors.

(j) Section ~~7(h)~~ **7(f)** of this chapter applies to parents or emancipated minors as described in this section.

(k) The accredited nonpublic school and the department shall maintain complete and accurate information concerning the number of applicants determined to be eligible for assistance under this section.

(l) The state board shall adopt rules under IC 4-22-2 to implement this section.

SECTION 115. IC 20-33-5-11, AS ADDED BY P.L.1-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 11. (a) A school corporation may not:

(1) withhold ~~school books~~ **curricular materials** and supplies;

(2) require any special services from a child; or

(3) deny the child any benefit or privilege;

because the parent fails to pay required fees.

(b) Notwithstanding subsection (a), a school corporation may take any action authorized by law to collect unpaid fees from parents who are determined to be ineligible for assistance, including recovery of reasonable attorney's fees and court costs in addition to a judgment award against those parents.

SECTION 116. IC 20-33-5-14, AS ADDED BY P.L.1-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 14. (a) The school ~~textbook~~ **curricular materials** reimbursement contingency fund is established to reimburse school corporations, eligible parents of children who attend accredited nonpublic schools, and emancipated minors who attend accredited nonpublic schools as provided in section 9 of this chapter for assistance provided under this chapter. The fund consists of money appropriated to the fund by the general assembly. The state superintendent shall administer the fund.

(b) The treasurer of state shall invest the money in the school ~~textbook~~ **curricular materials** reimbursement contingency fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

SECTION 117. IC 20-40-8-20, AS AMENDED BY P.L.234-2007, SECTION 231, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 20. Money in the fund may be transferred to another fund and used as provided by law. The laws permitting a transfer of money from the fund include the following:

~~(1) IC 20-20-10-5 (implementation of technology preparation task force).~~

~~(2)~~ **(1)** IC 20-40-11-3 (repair and replacement fund).

~~(3)~~ **(2)** IC 20-40-12-6 (self-insurance fund).

~~(4)~~ **(3)** IC 20-49-4-22 (advance for educational technology program).

SECTION 118. IC 20-40-9-7, AS ADDED BY P.L.2-2006, SECTION 163, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. (a) Money in the fund may be used for payment of all unreimbursed costs of ~~textbooks~~ **curricular materials** for the school corporation's students who were eligible for free or reduced lunches in the previous school year.

(b) The governing body may transfer the amount levied to cover unreimbursed costs of ~~textbooks~~ **curricular materials** under this section to the ~~textbook~~ **curricular materials** rental fund or extracurricular account.

SECTION 119. IC 20-41-1-2, AS ADDED BY P.L.2-2006,

SECTION 164, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. Any self-supporting programs maintained by a school corporation, including:

(1) school lunch; and

(2) rental or sale of ~~textbooks;~~ **curricular materials;**

may be established as separate funds, separate and apart from the general fund, if no local tax rate is established for the programs.

SECTION 120. IC 20-41-2-2, AS ADDED BY P.L.2-2006, SECTION 164, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. Each township trustee in operating a ~~textbook~~ **curricular materials** rental program may use either of the following accounting methods:

(1) The township trustee may supervise and control the program through its school corporation account by establishing a ~~textbook~~ **curricular materials** rental fund.

(2) If ~~textbooks~~ **curricular materials** have not been purchased and financial commitments or guarantees for the purchases have not been made by the school corporation, the township trustee may have the program operated by the individual schools of the school corporation through the school corporation's extracurricular account or accounts under IC 20-41-1.

SECTION 121. IC 20-41-2-3, AS ADDED BY P.L.2-2006, SECTION 164, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3. (a) If a school lunch fund is established under section 1 of this chapter or a ~~textbook~~ **curricular materials** rental fund is established under section 2 of this chapter, the receipts and expenditures for each program shall be made to and from the proper fund without appropriation or the application of other laws relating to the budgets of local governmental units.

(b) If either program or both programs under sections 1 and 2 of this chapter are operated through the extracurricular account, the township trustee shall approve the amount of the bond of the treasurer of the extracurricular account in an amount the township trustee considers necessary to protect the account for all funds coming into the hands of the treasurer.

SECTION 122. IC 20-41-2-5, AS ADDED BY P.L.2-2006, SECTION 164, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 5. (a) A governing body in operating a ~~textbook~~ **curricular materials** rental program under IC 20-26-5-4(12) may use either of the following accounting methods:

(1) The governing body may supervise and control the program through the school corporation account, establishing a ~~textbook~~ **curricular materials** rental fund.

(2) If ~~textbooks~~ **curricular materials** have not been purchased and financial commitments or guarantees for the purchases have not been made by the school corporation, the governing body may cause the program to be operated by the individual schools of the school corporation through the school corporation's extracurricular account or accounts in accordance with IC 20-41-1.

(b) If the governing body determines that a hardship exists due to the inability of a student's family to purchase or rent ~~textbooks,~~ **curricular materials,** taking into consideration the income of the family and the demands on the family, the governing body may furnish ~~textbooks~~ **curricular materials** to the student without charge, without reference to the application of any other statute or rule except IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 20-40-12, and IC 20-48-1.

SECTION 123. IC 20-41-2-6, AS ADDED BY P.L.2-2006, SECTION 164, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 6. (a) If a school lunch fund is established under section 4 of this chapter and a ~~textbook~~ **curricular materials** rental fund is established under section 5 of this chapter, the receipts and expenditures from a fund for the program to which the fund relates shall be made to and from the fund without appropriation or the application of other statutes and rules relating to the budgets of municipal corporations.

(b) If either the lunch program or ~~textbook~~ **the curricular materials** rental program is handled through the extracurricular account, the governing body of the school corporation shall approve the amount of the bond of the treasurer of the extracurricular account in an amount the governing body considers sufficient to protect the account for all funds coming into the hands of the treasurer of the account.

SECTION 124. IC 20-42-3-10, AS AMENDED BY P.L.3-2008, SECTION 121, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 10. The trustee, with the advice and consent of the township board, shall use the account for the following educational purposes:

(1) Each year the trustee shall pay, to the parent or legal guardian of any child whose residence is within the township, the initial cost for the rental of ~~textbooks~~ **curricular materials** used in any elementary or secondary school that has been accredited by the state. The reimbursement for the rental of ~~textbooks~~ **curricular materials** shall be for the initial yearly rental charge only. ~~Textbooks~~ **Curricular materials** subsequently lost or destroyed may not be paid for from this account.

(2) Students who are residents of the township for the last two (2) years of their secondary education and who still reside within the township are entitled to receive financial assistance in an amount not to exceed an amount determined by the trustee and the township board during an annual review of postsecondary education fees and tuition costs of education at any accredited postsecondary educational institution. Amounts to be paid to each eligible student shall be set annually after this review. The amount paid each year must be:

(A) equitable for every eligible student without regard to race, religion, creed, sex, disability, or national origin; and

(B) based on the number of students and the amount of funds available each year.

(3) A person who has been a permanent resident of the township

continuously for at least two (2) years and who needs educational assistance for job training or retraining may apply to the trustee of the township for financial assistance. The trustee and the township board shall review each application and make assistance available according to the need of each applicant and the availability of funds.

(4) If all the available funds are not used in any one (1) year, the unused funds shall be retained in the account by the trustee for use in succeeding years.

SECTION 125. IC 20-42.5-2-1, AS ADDED BY P.L.2-2007, SECTION 240, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. A school corporation individually, in collaboration with other school corporations, and through the educational services centers may undertake action to reduce noninstructional expenditures and allocate the resulting savings to student instruction and learning. Actions taken under this section include the following:

(1) Pooling of resources with other school corporations for liability insurance, property and casualty insurance, worker's compensation insurance, employee health insurance, vision insurance, dental insurance, or other insurance, whether by pooling risks for coverage or for the purchase of coverage, or by the creation of or participation in insurance trusts, subject to the following:

(A) School corporations that elect to pool assets for coverage must create a trust under Indiana law for the assets. The trust is subject to regulation by the department of insurance as follows:

(i) The trust must be registered with the department of insurance.

(ii) The trust shall obtain stop loss insurance issued by an insurer authorized to do business in Indiana with an aggregate retention of not more than one hundred twenty-five percent (125%) of the amount of expected claims for the following year.

(iii) Contributions by the school corporations must be set at one hundred percent (100%) of the aggregate retention plus all other costs of the trust.

(iv) The trust shall maintain a fidelity bond in an amount approved by the department of insurance. The fidelity bond must cover each person responsible for the trust for acts of fraud or dishonesty in servicing the trust.

(v) The trust is subject to IC 27-4-1-4.5 regarding claims settlement practices.

(vi) The trust shall file an annual financial statement in the form required by IC 27-1-3-13 not later than March 1 of each year.

(vii) The trust is not covered by the Indiana insurance guaranty association created under IC 27-6-8. The liability of each school corporation is joint and several.

(viii) The trust is subject to examination by the department of insurance. All costs associated with an examination shall be borne by the trust.

(ix) The department of insurance may deny, suspend, or revoke the registration of a trust if the commissioner finds that the trust is in a hazardous financial condition, the trust refuses to be examined or produce records for examination, or the trust has failed to pay a final judgment rendered against the trust by a court within thirty (30) days.

(B) The department of insurance may adopt rules under IC 4-22-2 to implement this subdivision.

(2) Electing, as an individual school corporation or as more than one (1) school corporation acting jointly, to aggregate purchases of natural gas commodity supply from any available natural gas commodity seller for all schools included in the aggregated purchases. A rate schedule that is:

(A) filed by a natural gas utility; and

(B) approved by the Indiana utility regulatory commission;

must include provisions that allow a school corporation or school corporations acting jointly to elect to make aggregated purchases of natural gas commodity supplies. Upon request from a school corporation, a natural gas utility shall summarize the rates and charges for providing services to each school in the school corporation on one (1) summary bill for remitting payment to the utility.

(3) Consolidating purchases with other school corporations or units of government of the following:

(A) School buses and other vehicles and vehicle fleets.

(B) Fuel, maintenance, or other services for vehicles or vehicle fleets.

(C) Food services.

(D) Facilities management services.

(E) Transportation management services.

(F) ~~Textbooks,~~ **Curricular materials,** technology, and other school materials and supplies.

(G) Any other purchases a school corporation may require.

Purchases may be made by contiguous school corporations, as part of regional consolidated purchasing arrangements, or from consolidated sources under multistate cooperative bidding arrangements.

SECTION 126. IC 20-42.5-3-1, AS ADDED BY P.L.2-2007, SECTION 240, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. The state board shall explore methods, including statewide purchases, to reduce the expense to school corporations for the purchase of the following:

(1) ~~Textbooks.~~ **Curricular materials.**

(2) Technology.

(3) School buses and other vehicles.

(4) Other areas of expenses as determined by the state board.

SECTION 127. IC 20-43-9-7 IS REPEALED [EFFECTIVE JULY

1, 2013]. ~~Sec. 7. A school corporation shall compile class size data for kindergarten through grade 3 and report the data to the department for purposes of maintaining compliance with this chapter.~~

SECTION 128. IC 36-1-11-1, AS AMENDED BY HEA 1568-2013, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. (a) Except as provided in subsection (b), this chapter applies to the disposal of property by:

(1) political subdivisions; and

(2) ~~their~~ agencies **of political subdivisions.**

(b) This chapter does not apply to the following:

(1) The disposal of property under an urban homesteading program under IC 36-7-17 or IC 36-7-17.1.

(2) The lease of school buildings under IC 20-47.

(3) The sale of land to a lessor in a lease-purchase contract under IC 36-1-10.

(4) The disposal of property by a redevelopment commission established under IC 36-7.

(5) The leasing of property by a board of aviation commissioners established under IC 8-22-2 or an airport authority established under IC 8-22-3.

(6) The disposal of a municipally owned utility under IC 8-1.5.

(7) The sale or lease of property by a unit to an Indiana nonprofit corporation organized for educational, literary, scientific, religious, or charitable purposes that is exempt from federal income taxation under Section 501 of the Internal Revenue Code or the sale or reletting of that property by the nonprofit corporation.

(8) The disposal of surplus property by a hospital established and operated under IC 16-22-1 through IC 16-22-5, IC 16-22-8, IC 16-23-1, or IC 16-24-1.

(9) The sale or lease of property acquired under IC 36-7-13 for industrial development.

(10) The sale, lease, or disposal of property by a local hospital authority under IC 5-1-4.

(11) The sale or other disposition of property by a county or municipality to finance housing under IC 5-20-2.

(12) The disposition of property by a soil and water conservation district under IC 14-32.

(13) The sale, lease, or disposal of property by the health and hospital corporation established and operated under IC 16-22-8.

(14) The disposal of personal property by a library board under IC 36-12-3-5(c).

(15) The sale or disposal of property by the historic preservation commission under IC 36-7-11.1.

(16) The disposal of an interest in property by a housing authority under IC 36-7-18.

(17) The disposal of property under IC 36-9-37-26.

(18) The disposal of property used for park purposes under IC 36-10-7-8.

(19) The disposal of ~~textbooks~~ **curricular materials** that will no

longer be used by school corporations under IC 20-26-12.

(20) The disposal of residential structures or improvements by a municipal corporation without consideration to:

(A) a governmental entity; or

(B) a nonprofit corporation that is organized to expand the supply or sustain the existing supply of good quality, affordable housing for residents of Indiana having low or moderate incomes.

(21) The disposal of historic property without consideration to a nonprofit corporation whose charter or articles of incorporation allows the corporation to take action for the preservation of historic property. As used in this subdivision, "historic property" means property that is:

(A) listed on the National Register of Historic Places; or

(B) eligible for listing on the National Register of Historic Places, as determined by the division of historic preservation and archeology of the department of natural resources.

(22) The disposal of real property without consideration to:

(A) a governmental agency; or

(B) a nonprofit corporation that exists for the primary purpose of enhancing the environment;

when the property is to be used for compliance with a permit or an order issued by a federal or state regulatory agency to mitigate an adverse environmental impact.

(23) The disposal of property to a person under an agreement between the person and a political subdivision or an agency of a political subdivision under IC 5-23.

(24) The disposal of residential real property pursuant to a federal aviation regulation (14 CFR 150) Airport Noise Compatibility Planning Program as approved by the Federal Aviation Administration.

SECTION 129. [EFFECTIVE JANUARY 1, 2013 (RETROACTIVE)] **(a) The repeal of IC 6-3.1-15-1 by this act, and IC 6-3.1-15-12 and IC 6-3.1-15-17, both as amended by this act, apply to taxable years beginning after December 31, 2012.**

(b) This SECTION expires January 1, 2015.

SECTION 130. **An emergency is declared for this act.**

(Reference is to EHB 1427 as reprinted April 11, 2013.)

Conference Committee Report
on
Engrossed House Bill 1427

Signed by:

Representative Rhoads Chairperson	Senator Schneider
Representative Thompson	Senator Yoder
House Conferees	**Senate Conferees**