
HOUSE BILL No. 1342

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-18-2; IC 20-19; IC 20-43; IC 20-51-4.

Synopsis: Office of accountability and innovation. Establishes the office of accountability and innovation (OAI). Provides that the education roundtable shall approve the annual budget for the OAI and authorize the OAI board to hire staff to administer the OAI. Establishes the OAI board, which consists of the state superintendent for public instruction, the executive director of the commission for higher education, and the commissioner of the department of workforce development. Provides that the governor shall appoint the chairperson of the OAI board. Provides that the purpose of the OAI is to: (1) establish and maintain a longitudinal data system that contains record level educational and workforce data from all levels of education and the state's workforce; and (2) administer the choice scholarship program. Provides that the data system maintained by the OAI must be used to improve the educational delivery system, improve the quality of the state's workforce as well as the workforce's economic opportunities, and provide useful and meaningful education and workforce data to the state's decision makers of all levels. Requires the department of education, commission for higher education, and department of workforce development to provide the OAI access to necessary data. Provides that the data compiled and maintained on the OAI's data system must not contain any personal information of any student or worker. Requires the OAI to comply with all federal and state privacy laws. Moves oversight of choice scholarship from the department of education to the OAI. Makes an appropriation.

Effective: July 1, 2013.

Behning

January 17, 2013, read first time and referred to Committee on Education.



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First Regular Session 118th General Assembly (2013)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2012 Regular Session of the General Assembly.

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HOUSE BILL No. 1342



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

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

1 SECTION 1. IC 20-18-2-12.5 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2013]: **Sec. 12.5. "OAI" has the meaning set**
4 **forth in IC 20-19-4.5-1.**

5 SECTION 2. IC 20-18-2-12.6 IS ADDED TO THE INDIANA
6 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
7 [EFFECTIVE JULY 1, 2013]: **Sec. 12.6. "OAI board" has the**
8 **meaning set forth in IC 20-19-4.5-2.**

9 SECTION 3. IC 20-19-4-6, AS ADDED BY P.L.1-2005, SECTION
10 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,
11 2013]: Sec. 6. **(a)** The roundtable is a permanent body and working
12 group.

13 **(b) The roundtable shall carry out the duties of the roundtable**
14 **described under IC 20-19-4.5-4.**

15 SECTION 4. IC 20-19-4.5 IS ADDED TO THE INDIANA CODE
16 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
17 JULY 1, 2013]:



Chapter 4.5. Office of Accountability and Innovation

Sec. 1. As used in this chapter, "OAI" means the office of accountability and innovation established by section 3 of this chapter.

Sec. 2. "OAI board" means the office of accountability and innovation board established by section 6 of this chapter.

Sec. 3. (a) The office of accountability and innovation is established as an agency of the state.

(b) The OAI is considered a state educational authority for purposes of privacy requirements under the Family Education Rights and Privacy Act (20 U.S.C. 1232g et seq.).

Sec. 4. (a) The education roundtable established by IC 20-19-4-2 shall:

- (1)** approve the annual budget for the OAI; and
- (2)** authorize the OAI board to hire staff to administer the OAI.

(b) The education roundtable may receive funding for the OAI from:

- (1)** state appropriations;
- (2)** grants or other assistance from local education agencies and institutions of higher education;
- (3)** federal grants;
- (4)** user fees; and
- (5)** any other grants or contributions from public or private entities.

(c) There is annually appropriated to the education roundtable, with the approval of the budget agency and governor, an amount necessary to carry out this chapter.

Sec. 5. The general purposes of the OAI are the following:

- (1)** Establish and maintain a statewide longitudinal data system described in section 8 of this chapter.
- (2)** Carry out the OAI board's duties described in section 7 of this chapter.
- (3)** Administer the choice scholarship program under IC 20-51-4.

Sec. 6. (a) The office of accountability and innovation board is established.

(b) The OAI board consists of the:

- (1)** state superintendent;
- (2)** executive officer of the commission for higher education established under IC 21-18-2-1; and
- (3)** commissioner of the department of workforce

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1 development established under IC 22-4.1-2-1.

2 (c) The governor shall appoint the chairperson for the board.

3 (d) The OAI board may, with the approval of the education
4 roundtable established by IC 20-19-4-2, contract with nonpublic
5 entities for purposes of:

6 (1) developing and maintaining the statewide longitudinal
7 data system described in section 8 of this chapter;

8 (2) conducting research in support of developing the statewide
9 longitudinal data system described in section 8 of this chapter;
10 or

11 (3) conducting research projects requested by the general
12 assembly.

13 **Sec. 7. The OAI board's duties include the following:**

14 (1) **Oversee the development, direction, and maintenance of a**
15 **statewide longitudinal data system that contains record level**
16 **educational and workforce data from all levels of education**
17 **and the state's workforce, for purposes of improving the**
18 **state's:**

19 (A) **educational delivery system;**

20 (B) **ability to affect the:**

21 (i) **quality of the state's workforce; and**

22 (ii) **individual economic opportunities available to**
23 **employers and workers resulting from a better trained**
24 **workforce; and**

25 (C) **ability to provide useful and meaningful education and**
26 **workforce data to the state's decision makers of all levels.**

27 (2) **Oversee compliance with:**

28 (A) **the Family Education Rights and Privacy Act (20**
29 **U.S.C. 1232g et seq.);**

30 (B) **the Health Insurance Portability and Accountability**
31 **Act (42 U.S.C. 201 et seq.); and**

32 (C) **any other relevant federal or state privacy laws or**
33 **policies.**

34 (3) **Develop a detailed data security and safeguarding plan**
35 **that includes:**

36 (A) **authorized access and authentication for authorized**
37 **access;**

38 (B) **breach notification and procedures; and**

39 (C) **data retention and disposition policies.**

40 (4) **Identify additional data sources from among various state**
41 **entities and require those entities to support and contribute**
42 **necessary data to the statewide longitudinal data system**

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1 described in section 8 of this chapter.

2 (5) Oversee the development and maintenance of an electronic
3 interface for public use that allows for research on aggregate,
4 unidentifiable data contained in the statewide longitudinal
5 data system described in section 8 of this chapter.

6 **Sec. 8. (a)** Not later than July 1, 2014, the OAI shall develop and
7 maintain a statewide longitudinal data system that contains record
8 level educational and workforce data from all levels of education
9 and the state's workforce. The system shall be used to:

10 (1) effectively organize, manage, disaggregate, and analyze
11 record level data;

12 (2) generate timely and accurate information about student
13 progress and outcomes over time, including preparation for
14 postsecondary education and the workforce; and

15 (3) support the economic development activities of the state
16 and the state's counties and municipalities.

17 (b) The data received or compiled in the system must not
18 contain any personal information of a specific student or employee
19 and must comply with:

20 (1) the Family Education Rights and Privacy Act (20 U.S.C.
21 1232g et seq.);

22 (2) the Health Insurance Portability and Accountability Act
23 (42 U.S.C. 201 et seq.); and

24 (3) any other relevant federal or state privacy laws or policies.

25 **Sec. 9. (a)** The:

26 (1) department;

27 (2) commission for higher education established under
28 IC 21-18-2-1; and

29 (3) department of workforce development established under
30 IC 22-4.1-2-1;

31 shall contribute data related to educational and workforce
32 outcomes, shall provide the OAI access to the data, and contribute
33 data requested by the OAI, on a timely basis.

34 (b) The entities described in subsection (a), in consultation with
35 the OAI, shall:

36 (1) ensure routine and ongoing compliance with the Family
37 Education Rights and Privacy Act (20 U.S.C. 1232g et seq.),
38 the Health Insurance Portability and Accountability Act (42
39 U.S.C. 201 et seq.), and any other relevant federal or state
40 privacy laws or policies, including:

41 (A) the required use of data in data research and
42 reporting;

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- 1 (B) the required disposition of information that is no
- 2 longer needed;
- 3 (C) the provision of data security, including the
- 4 performance of regular audits for compliance with data
- 5 privacy and security standards; and
- 6 (D) implementing guidelines and policies that prevent the
- 7 reporting of other potentially identifying data; and
- 8 (2) use only aggregate data in the release of data in reports
- 9 and in response to data requests and ensure that data that
- 10 may be identifiable based on the size or uniqueness of the
- 11 population under consideration may not be reported in any
- 12 form.

13 SECTION 5. IC 20-43-1-1, AS AMENDED BY P.L.144-2012,
 14 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 JULY 1, 2013]: Sec. 1. This article expires ~~July 1, 2013~~. **July 1, 2015.**

16 SECTION 6. IC 20-43-2-1, AS AMENDED BY P.L.146-2008,
 17 SECTION 481, IS AMENDED TO READ AS FOLLOWS
 18 [EFFECTIVE JULY 1, 2013]: Sec. 1. The department shall distribute
 19 the amount appropriated by the general assembly for distribution as
 20 state tuition support in accordance with this article. **The department**
 21 **shall distribute to the OAI the amount necessary for the OAI to**
 22 **make distributions under IC 20-51-4.** If the appropriations for
 23 distribution as state tuition support are more than required under this
 24 article, any excess shall revert to the state general fund. The
 25 appropriations for state tuition support shall be made each calendar
 26 year under a schedule set by the budget agency and approved by the
 27 governor. However, the schedule must provide:

- 28 (1) for at least twelve (12) payments;
- 29 (2) that one (1) payment shall be made at least every forty (40)
- 30 days; and
- 31 (3) the total of the payments in each calendar year must equal the
- 32 amount required under this article.

33 SECTION 7. IC 20-51-4-0.5 IS ADDED TO THE INDIANA CODE
 34 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY**
 35 **1, 2013]: Sec. 0.5. After June 30, 2013, the OAI shall administer this**
 36 **chapter.**

37 SECTION 8. IC 20-51-4-1, AS ADDED BY P.L.92-2011,
 38 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JULY 1, 2013]: Sec. 1. (a) Except as provided under subsections (b)
 40 through (h), it is the intent of the general assembly to honor the
 41 autonomy of nonpublic schools that choose to become eligible schools
 42 under this chapter. A nonpublic eligible school is not an agent of the

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1 state or federal government, and therefore:

2 (1) the ~~department~~ OAI or any other state agency may not in any
3 way regulate the educational program of a nonpublic eligible
4 school that accepts a choice scholarship under this chapter,
5 including the regulation of curriculum content, religious
6 instruction or activities, classroom teaching, teacher and staff
7 hiring requirements, and other activities carried out by the eligible
8 school;

9 (2) the creation of the choice scholarship program does not
10 expand the regulatory authority of the state, the state's officers, or
11 a school corporation to impose additional regulation of nonpublic
12 schools beyond those necessary to enforce the requirements of the
13 choice scholarship program in place on July 1, 2011; and

14 (3) a nonpublic eligible school shall be given the freedom to
15 provide for the educational needs of students without
16 governmental control.

17 (b) This section applies to the following writings, documents, and
18 records:

19 (1) The Constitution of the United States.

20 (2) The national motto.

21 (3) The national anthem.

22 (4) The Pledge of Allegiance.

23 (5) The Constitution of the State of Indiana.

24 (6) The Declaration of Independence.

25 (7) The Mayflower Compact.

26 (8) The Federalist Papers.

27 (9) "Common Sense" by Thomas Paine.

28 (10) The writings, speeches, documents, and proclamations of the
29 founding fathers and presidents of the United States.

30 (11) United States Supreme Court decisions.

31 (12) Executive orders of the presidents of the United States.

32 (13) Frederick Douglas' Speech at Rochester, New York, on July
33 5, 1852, entitled "What to a Slave is the Fourth of July?".

34 (14) Appeal by David Walker.

35 (15) Chief Seattle's letter to the United States government in 1852
36 in response to the United States government's inquiry regarding
37 the purchase of tribal lands.

38 (c) An eligible school may allow a principal or teacher in the
39 eligible school to read or post in the school building or classroom or at
40 a school event any excerpt or part of a writing, document, or record
41 listed in subsection (b).

42 (d) An eligible school may not permit the content based censorship

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1 of American history or heritage based on religious references in a
2 writing, document, or record listed in subsection (b).

3 (e) A library, a media center, or an equivalent facility that an
4 eligible school maintains for student use must contain in the facility's
5 permanent collection at least one (1) copy of each writing or document
6 listed in subsection (b)(1) through (b)(9).

7 (f) An eligible school shall do the following:

8 (1) Allow a student to include a reference to a writing, document,
9 or record listed in subsection (b) in a report or other work product.

10 (2) May not punish the student in any way, including a reduction
11 in grade, for using the reference.

12 (3) Display the United States flag in each classroom.

13 (4) Provide a daily opportunity for students to voluntarily recite
14 the Pledge of Allegiance in each classroom or on school grounds.

15 A student is exempt from participation in the Pledge of
16 Allegiance and may not be required to participate in the Pledge of
17 Allegiance if:

18 (A) the student chooses to not participate; or

19 (B) the student's parent chooses to have the student not
20 participate.

21 (5) Provide instruction on the constitutions of:

22 (A) Indiana; and

23 (B) the United States.

24 (6) For an eligible school that enrolls students in grades 6 through
25 12, provide within the two (2) weeks preceding a general election
26 five (5) full recitation periods of class discussion concerning:

27 (A) the system of government in Indiana and in the United
28 States;

29 (B) methods of voting;

30 (C) party structures;

31 (D) election laws; and

32 (E) the responsibilities of citizen participation in government
33 and in elections.

34 (7) Require that each teacher employed by the eligible school
35 present instruction with special emphasis on:

36 (A) honesty;

37 (B) morality;

38 (C) courtesy;

39 (D) obedience to law;

40 (E) respect for the national flag and the Constitution of the
41 State of Indiana and the Constitution of the United States;

42 (F) respect for parents and the home;

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- 1 (G) the dignity and necessity of honest labor; and
 2 (H) other lessons of a steadying influence that tend to promote
 3 and develop an upright and desirable citizenry.
 4 (8) Provide good citizenship instruction that stresses the nature
 5 and importance of the following:
 6 (A) Being honest and truthful.
 7 (B) Respecting authority.
 8 (C) Respecting the property of others.
 9 (D) Always doing the student's personal best.
 10 (E) Not stealing.
 11 (F) Possessing the skills (including methods of conflict
 12 resolution) necessary to live peaceably in society and not
 13 resorting to violence to settle disputes.
 14 (G) Taking personal responsibility for obligations to family
 15 and community.
 16 (H) Taking personal responsibility for earning a livelihood.
 17 (I) Treating others the way the student would want to be
 18 treated.
 19 (J) Respecting the national flag, the Constitution of the United
 20 States, and the Constitution of the State of Indiana.
 21 (K) Respecting the student's parents and home.
 22 (L) Respecting the student's self.
 23 (M) Respecting the rights of others to have their own views
 24 and religious beliefs.
 25 (9) Provide instruction in the following studies:
 26 (A) Language arts, including:
 27 (i) English;
 28 (ii) grammar;
 29 (iii) composition;
 30 (iv) speech; and
 31 (v) second languages.
 32 (B) Mathematics.
 33 (C) Social studies and citizenship, including the:
 34 (i) constitutions;
 35 (ii) governmental systems; and
 36 (iii) histories;
 37 of Indiana and the United States, including a study of the
 38 Holocaust and the role religious extremism played in the
 39 events of September 11, 2001, in each high school United
 40 States history course.
 41 (D) Sciences.
 42 (E) Fine arts, including music and art.

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- 1 (F) Health education, physical fitness, safety, and the effects
 2 of alcohol, tobacco, drugs, and other substances on the human
 3 body.
- 4 (g) An eligible school, charter school, or public school shall not
 5 teach the violent overthrow of the government of the United States.
- 6 (h) Nothing in this section shall be construed to limit the
 7 requirements of IC 20-30-5.
- 8 SECTION 9. IC 20-51-4-2, AS ADDED BY P.L.92-2011,
 9 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 JULY 1, 2013]: Sec. 2. (a) Subject to subsection (b), an eligible
 11 individual is entitled to a choice scholarship under this chapter for each
 12 school year beginning after June 30, 2011, that the eligible student
 13 enrolls in an eligible school.
- 14 (b) The ~~department~~ **OAI** may not award more than:
 15 (1) seven thousand five hundred (7,500) choice scholarships for
 16 the school year beginning July 1, 2011, and ending June 30, 2012;
 17 and
 18 (2) fifteen thousand (15,000) choice scholarships for the school
 19 year beginning July 1, 2012, and ending June 30, 2013.
- 20 The ~~department~~ **OAI** shall establish the standards used to allocate
 21 choice scholarships among eligible students.
- 22 SECTION 10. IC 20-51-4-3, AS AMENDED BY P.L.6-2012,
 23 SECTION 144, IS AMENDED TO READ AS FOLLOWS
 24 [EFFECTIVE JULY 1, 2013]: Sec. 3. (a) An eligible school may not
 25 discriminate on the basis of race, color, or national origin.
- 26 (b) An eligible school shall abide by the school's written admission
 27 policy fairly and without discrimination with regard to students who:
 28 (1) apply for; or
 29 (2) are awarded;
 30 scholarships under this chapter.
- 31 (c) If the number of applicants for enrollment in an eligible school
 32 under a choice scholarship exceeds the number of choice scholarships
 33 available to the eligible school, the eligible school must draw at
 34 random in a public meeting the applications of applicants who are
 35 entitled to a choice scholarship from among the applicants who meet
 36 the requirements for admission to the eligible school.
- 37 (d) The ~~department~~ **OAI** shall make random visits to at least five
 38 percent (5%) of eligible schools and charter schools to verify that the
 39 eligible school or charter school complies with the provisions of this
 40 chapter and the Constitutions of the state of Indiana and the United
 41 States.
- 42 (e) Each eligible school, public school, and charter school shall

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1 grant the ~~department~~ **OAI** reasonable access to its premises, including
2 access to the school's grounds, buildings, and property.

3 (f) Each year the principal of each eligible school shall certify under
4 penalties of perjury to the ~~department~~ **OAI** that the eligible school is
5 complying with the requirements of this chapter. The ~~department~~ **OAI**
6 shall develop a process for eligible schools to follow to make
7 certifications.

8 SECTION 11. IC 20-51-4-7, AS ADDED BY P.L.92-2011,
9 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
10 JULY 1, 2013]: Sec. 7. (a) The ~~department~~ **OAI** shall administer this
11 chapter.

12 (b) The ~~department~~ **OAI** shall adopt rules under IC 4-22-2 to
13 implement this chapter.

14 (c) The ~~department~~ **OAI** may adopt emergency rules under
15 IC 4-22-2-37.1 to implement this chapter.

16 SECTION 12. IC 20-51-4-8, AS ADDED BY P.L.92-2011,
17 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
18 JULY 1, 2013]: Sec. 8. The ~~department~~ **OAI** may prescribe forms and
19 methods for demonstrating eligibility for a choice scholarship under
20 this chapter.

21 SECTION 13. IC 20-51-4-9, AS ADDED BY P.L.92-2011,
22 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 JULY 1, 2013]: Sec. 9. (a) The ~~department~~ **OAI** shall enforce the
24 following consequences for an eligible school that is nonpublic:

25 (1) If the school is placed in either of the lowest two (2)
26 categories or designations under IC 20-31-8-3 for two (2)
27 consecutive years, the ~~department~~ **OAI** shall suspend choice
28 scholarship payments for one (1) year for new students who
29 would otherwise use a choice scholarship to attend the school.

30 (2) If the school is placed in either of the lowest two (2)
31 categories or designations under IC 20-31-8-3 for three (3)
32 consecutive years, the ~~department~~ **OAI** shall suspend choice
33 scholarship payments for new students who would otherwise use
34 a choice scholarship to attend the school until the school is placed
35 in the middle category or higher category or designation, for two
36 (2) consecutive years.

37 (3) If the school is placed in the lowest category or designation
38 under IC 20-31-8-3 for three (3) consecutive years, the
39 ~~department~~ **OAI** shall suspend choice scholarship payments for
40 new students who would otherwise use a choice scholarship to
41 attend the school until the school is placed in the middle category
42 or higher category or designation, for three (3) consecutive years.

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- 1 (4) Students who:
 2 (A) are currently enrolled at a school described in subdivision
 3 (1), (2), or (3); and
 4 (B) qualify for a choice scholarship for the upcoming school
 5 year;
 6 may continue to receive a choice scholarship at the school.
 7 (b) This section may not be construed to prevent a student enrolled
 8 in a school subject to this section from applying for a choice
 9 scholarship in the future at another participating school.
 10 SECTION 14. IC 20-51-4-10, AS ADDED BY P.L.92-2011,
 11 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JULY 1, 2013]: Sec. 10. (a) The ~~department~~ **OAI** may distribute any
 13 part of a choice scholarship to the eligible individual (or the parent of
 14 the eligible individual) for the purpose of paying the educational costs
 15 described in section 4(1) of this chapter. For the distribution to be
 16 valid, the distribution must be endorsed by both the eligible individual
 17 (or the parent of the eligible individual) and the eligible school
 18 providing educational services to the eligible individual.
 19 (b) **The OAI shall provide in a timely manner to the department**
 20 **the information necessary for the department to distribute state**
 21 **tuition support under IC 20-43-2-1 necessary to make distributions**
 22 **under this chapter.**
 23 SECTION 15. [EFFECTIVE JULY 1, 2013] (a) **Rules that were**
 24 **adopted by the department of education under IC 20-51-4-7 or**
 25 **IC 20-51-4-8, both as amended by this act, prior to July 1, 2013,**
 26 **shall be treated as though the rules were adopted by the office of**
 27 **accountability and innovation established by IC 20-19-4.5-3, as**
 28 **added by this act, until the office of accountability and innovation**
 29 **adopts rules under IC 4-22-2 to implement IC 20-51-4, as amended**
 30 **by this act.**
 31 (b) **All powers and duties of the department of education**
 32 **relating to the administration of IC 20-51-4, as amended by this**
 33 **act, are transferred to the office of accountability and innovation**
 34 **as established by IC 20-19-4.5-3, as added by this act.**
 35 (c) **This SECTION expires July 1, 2014.**

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