

ISTA 2017 LEGISLATIVE REVIEW

HEA 1001 (Rep. Brown, R - Crawfordsville) Biennial Budget/School Funding Formula

There are some positive components to this year's budget and the school funding formula. However, as the economy continues to grow, legislators didn't make a strong enough commitment to our community-based public schools, where 90 percent of Hoosier kids are enrolled.

The General Assembly passed a budget bill early Saturday morning that would provide funding to K – 12 education over the next two years. While the General Assembly improved the House funding formula proposal presented early on, too many students will be in schools that will continue to struggle financially.

About a third of the school districts will not get any increase in funding, and some will even face decreases in the first year of the biennium.

Funding Levels

The school funding formula provides an average increase in regular education funding at 1.6 percent in 2018 and 1.5 percent in 2019. Considering the recent cautiously optimistic revenue forecast, these funding levels are disappointing.

The spring Average Daily Membership (ADM) count will go back to be informational only.

A positive outcome in budget negotiations was an increase to funding for English Language Learners (ELL). ELL programs in high concentration areas will see a sizeable increase. While funding in general is straight-lined at \$250 per student,



districts that have at least a 5 percent concentration of ELL students and up to 18 percent concentration, can add \$975 per student to the \$250 base funding in 2018; then add \$1,037 per student to the \$250 base in 2019. Districts with greater than 18 percent concentration, will add \$1,225 per student to the \$250 base in 2018; then add \$1,287 per student to the \$250 base in 2019.

Most districts will see complexity funding, which targets schools with high needs students, straight-lined at \$3,539 as their base. If a school district has at least 18 percent English language learners (ELL), and has an at least 45 percent decrease in SNAP/TANF (federal subsidies for low-income families) enrollment from 2015 to October 2017 (a sharp decline), there is a second step providing another \$128 multiplied by the school's ADM.

The most severe category of special education funding goes from \$8,800 to \$8,976 in 2018 to \$9,156 in 2019.

Academic honors funding is increased from \$1,400 to \$1,500 in the first tier and from \$1,000 to \$1,100 in the second tier for both years of the biennium.

Pre-K expansion would be funded at \$22 million, up from \$10 million, with \$1 million set aside for virtual pre-K programs.

School efficiency grants is a new allotment and is funded at \$5 million in 2019 only. Any reorganizing (consolidating) set of school districts receive \$250 per ADM as a one-time incentive. This grant can go towards the professional fees associated with the consolidation or for teacher stipends.

Gifted and talented programs receive \$12.4 million in 2018 and \$12.9 million in 2019, statewide.



There is \$1 million each of the next two years going to STEM alignment.

Summer school and textbook subsidies continue to be straight-lined.

David Ford Technology Grants will receive about \$3 million each over the next two years.

Teacher Stipends

Encouragingly, the budget includes teacher performance grants under a new program called Teacher Appreciation Grants with a funding level of \$60 million. There had been an effort from the House to eliminate these stipends altogether and the \$60 million biennial expenditure is \$20 million less than the last biennium.

Recognizing how unfairly performance grants were distributed this past year, local school districts would mostly determine how teachers will receive the grants. The budget provides a \$30 per student cash stipend to the district. The awards would only have to be based on a teacher's most recent effectiveness rating.

The differential in stipends between highly effective and effective teachers would be required to be at least 25 percent, with the stipends distributed to teachers within 20 days of the district's receipt (which is targeted for Dec. 5). Unfortunately, the stipend would still not be subject to collective bargaining, but remains discussible.

Retirement

The 13th check is funded in the budget.



A new optional defined contribution only plan was included for teachers. The decision a teacher makes on the front-end to choose between the existing defined benefit/annuity plan versus the defined contribution only plan is irrevocable.

A new alternative investment for public employees, including teachers, is created called the Next Level Indiana Fund. This is a new investment alternative within the member's annuity account. An individual fund member may elect to invest up to 20 percent of their annuity investment into the Next Level Fund. If that initial investment is maintained in the Next Level Fund for 36 months, the state will contribute an amount that ensures a 10 percent return on that investment to the individual member. In each year thereafter, the state will do a 10 percent match for new investments in the Next Level Fund during that year, if the member continues to invest in the fund at the same rate and maintains the amounts previously invested in the fund.

The subsequent 10 percent match only relates to the new contributions and is not compounding. The money for the state's match comes from the personal services contingency fund.

Charter Schools and Vouchers

The budget provides significant funding increases for new charter schools in the next two years. Lawmakers allocated \$11.5 million in 2018 and \$11.9 million in 2019, which is a 4.2 percent increase. New charter schools starting in 2019 have been allocated \$11.6 million

The total investment in new charter schools is \$35 million.

The Innovative Network School initiative is getting \$15 million each over the next two years.



Virtual charter schools will continue receiving 90 percent of per pupil funding, rather than 100 percent as was attempted early in the session. The schools would also be required to start reporting class sizes, student-teacher ratios, number of in-person teacher meetings and any other information determined by Indiana Department of Education.

Voucher schools receive a significant increase in funding in the budget, going from a total commitment of \$146 million in 2017 to \$156 million in 2018, a 7.2 percent increase. Vouchers will receive another \$167 million in 2019, a 6.9 percent increase. The amount of the actual voucher is tied to public school K-12 funding. This percentage increase is in growth of the voucher program, not necessarily the growth in the voucher amount per student.

Voucher schools no longer have a spring enrollment window in which to gain students second semester.

The budget increased the private school voucher tax credit from the current \$9.5 million per year to \$12.5 million in 2018 and again to \$14 million in 2019. The tax credit is mostly being leveraged by Indiana's wealthiest taxpayers to support private school tuition.

HEA 1003 (Rep. Behning, R - Indianapolis) Student Assessments

This bill extends the replacement of ISTEP until June 30, 2018, when a new statewide test, known as Indiana's Learning Evaluation Assessment Readiness Network (ILEARN), will take its place.

HEA 1003 eliminates end-of-course assessments (ECAs) as a requirement for graduation, and invites school districts to reconsider the percentage of student test scores applied to teacher evaluations.



While this is not a true de-coupling of test scores from evaluations, it reflects the fact that a growing number of legislators understand the inappropriateness of making this connection.

The bill also sets up a student graduation pathway in place of the ECAs but would still consist of exams like SAT/ACT, ASVAB or an industry certification.

HEA 1004 (Rep. Behning, R - Indianapolis) Pre-K Expansion

HEA 1004 expands the state's pre-K education pilot program to eligible providers that meet certain criteria in 15 additional counties.

Factors at stake during the session:

1. Overall funding levels
2. Including pre-K participation as a new and additional pathway to private school K - 12 vouchers
3. Including a new online virtual pre-K program

The enacted version settled on \$22 million each year, up from the current \$10 million. The bill allows the voucher pathway only if the parents choose the same school to continue their child's education. The bill includes the virtual pre-K program with up to \$1 million each year for funding.

HEA 1005 (Rep. Bosma, R - Indianapolis) Appointed Superintendent of Public Instruction

Beginning in 2025, HEA 1005 ensures that the state superintendent of public instruction will be replaced with a secretary of education appointed by the governor.



ISTA opposed the bill, as it takes away voters' rights to elect a state education leader.

HEA 1007 (Rep. Cook, R - Cicero) Education Course Access Program

This bill creates a course-by-course voucher program to enable students to enroll and pay for online courses funded by the student's public school. In effect, the operation of this bill would force school districts to contract out educational services at a parent's or student's request.

The Indiana Department of Education (IDOE) is given the power to develop the catalogue of courses available under the program.

For-profit, online or virtual charter schools have a disastrous record of failing students and avoiding accountability, not just in Indiana, but around the country.

School districts already arrange for alternative courses for students when authentic needs arise relative to course offerings. ISTA strongly opposed this bill, but supporters convinced lawmakers that this authorization would somehow help smaller school districts.

Since this is a model bill being promoted by the American Legislative Exchange Council (ALEC), there is little doubt that it is part of a national agenda promoting the privatization of public education, and its implementation should be closely monitored.

HEA 1009 (Rep. Cook, R - Cicero) School Financial Management

As originally drafted, HB 1009 professed to get more dollars into the classroom, but in some cases, could have ended up having the exact opposite effect. ISTA lobbied



Senate leaders on the consequences of this bill and significant positive changes were made.

As enacted, HEA 1009 creates a separate operations fund and an education fund.

The operations fund would consist of capital projects, transportation, school bus replacement, art association, historical society and the public playground funds. Districts can leverage the money in these funds as if they were one fund. Also, certain other expenses that used to be paid from a school's general fund, will now be allocated from operations - theoretically, freeing up teaching and learning money.

Other discreet funds, like rainy day, special purpose and self-insurance funds would stand alone. This proved to be a key difference between the House and Senate versions. The education fund is the exclusive fund to cover student instruction and learning expenses. Money transferred from operations to education is not bargainable. However, money in one of the stand-alone funds like rainy day, self-insurance, special purpose and others can be bargained if the use of the funds are for teacher salaries and wage-related benefits.

Also, the bill requires that any transfers between funds be done in open public meetings to ensure transparency.

The intent of HEA 1009 is to provide districts some flexibility in funding and to get more money to the classroom. ISTA worked with legislative leaders to more closely align this bill with its stated intent.



HEA 1024 (Rep. Bartlett, D-Indianapolis) Prayer in Schools

The bill purports to provide protections for students and parents of students and prohibits school districts and charters from discriminating based on religion.

It allows students to freely engage in prayer and religious expression before, during or after school hours on school property. HEA 1024 seeks to clarify existing constitutional religious rights.

The bill also provides that students may express their religious beliefs without discrimination in assignments, artwork or other formats such as clothing.

A school may also offer an elective course on world religions.

HEA 1043 (Rep. Thompson, R-Lizton) Referendum and Remonstrance Process

The bill sets up a large list of new provisions and monetary thresholds associated with local government referendum and remonstrance processes.

Requires a political subdivision, which includes a school district to: (1) conduct at least two public hearings on a preliminary determination concerning a controlled project (rather than one hearing under current law); and (2) make certain information available to the public at each of the public hearings.

Provides that if a referendum for a controlled project or for a school operating referendum fund property tax levy is defeated, another referendum may not be held earlier than 700 days after the date of the first referendum (rather than 350 days under current law). However, specifies that the 350-day limit applies if a sufficient petition is submitted by property owners or voters.



For referenda that take place after June 30, 2017, the bill provides that a school district operating referendum fund property tax levy may not be imposed for more than eight years. The current law allows seven years.

HEA 1069 (Rep. Bacon, R-Evansville) Immunization for Higher Ed Students

HEA 1069 adds meningitis to the list of required vaccinations students must receive when enrolling in a residential campus. The bill only applies to Indiana's state colleges and universities.

HEA 1079 (Rep. Thompson, R-Lizton) School Employment and Teacher Licensure

This bill adds provisions dealing with background checks that apply to school districts, charter schools and non-public schools.

It requires a school employee to undergo an expanded criminal history background check including a Child Protection Index (CPI) check every five years. The employee bears the cost of the check unless the school district, charter or nonpublic school assumes the cost.

A school employer may require a check more than once every five years as a local decision, but the employee is only required to pay for one check every five years. The school employer must conduct background checks on a rolling basis over a period of five years with 20 percent of employees completed each year.

A check for new hires must be completed within 60 days of the employee's date of employment.

The school employer must contact an employee's references, and the most recent employer, if applicable, before hiring an employee.



The bill requires a weekly report issued by the division of state court administration of school employees who have had their licenses revoked for conviction of certain crimes for comparison with the IDOE's list of licensed employees. The IDOE may reinstate a license for an individual who has had a conviction reversed, vacated or set aside.

Allows a local superintendent, in addition to the teacher's principal, to initiate the cancellation of a teacher's contract by giving notice to the teacher.

HEA 1136 (Rep. Frizzell, R-Indianapolis) Latch Key Programs

A school district may include children who attend preschool offered by the school district in a school-age, child care program that the school district operates. The bill originally was amended to include charter schools, but that language was removed.

HEA 1382 (Rep. Behning, R - Indianapolis) Charters

The bill makes numerous changes to charter school accountability and while laudable in this endeavor, the bill does not go far enough to protect both kids and taxpayers.

ISTA was instrumental in amending the bill to prevent Indiana's Charter School Board from hiring additional staff at taxpayer expense. ISTA also succeeded in requiring financial disclosure and conflicts of interest statements to be filed for local charter board members.

Unfortunately, the bill enables 90 percent of charter school teachers to be licensed under "any license or permit," which effectively means that individuals who hold a substitute teacher license will be considered within the 90 percent of licensed or permitted teachers employed in charter schools. The genesis of this provision likely



had its roots in a recent State Board of Education decision denying a waiver to a charter school that was operating in violation of the existing licensing rules.

ISTA believes that all students, in all schools, should have teachers adequately prepared with pedagogy and appropriate training to be in classrooms teaching children and efforts to diminish the value of a license are wrong-headed.

The bill also grants charter authorizer status as state education authorities for federal purposes, potentially posing Family and Education Rights Privacy Act risks related to access to student data.

The bill provides that the State Board of Education may reduce administrative fees paid to charter school authorizers of low-performing charters.

It allows an Innovation Network School (another charter-like external entity) to locate in any building in the district of Indianapolis - an expansion of current law, which stipulates that innovation schools must locate in existing school buildings.

The bill requires virtual schools to have a student engagement policy.

HEA 1384 (Rep. Behning, R - Indianapolis) High School Graduation/Removal of Accountability for Voucher Schools

This bill originally focused on the calculation of graduation rates, but early on an amendment was added enabling D and F private voucher schools to skirt existing accountability standards.

Under current law, if a private voucher school has two consecutive years as a D or F school, it loses its right to receive new vouchers. Under this bill, the State Board of Education would be allowed to grant an annual waiver or a delay of that single



accountability sanction, if "a majority of students demonstrated academic improvement" from the prior year.

The new standard for private voucher schools makes it glaringly clear that academic improvement is certainly not the same thing as performance on standardized tests - the latter being the standard which drives accountability for community-based public schools.

On the positive side, the bill removes the second window previously granted to voucher schools for enrolling students during the second semester.

The bill also allows the State Board of Education to accredit new private schools in their first year of operation so that these schools can enter the state's voucher program right away. The result is that the pool of voucher students could expand further without first requiring one year of operation before the school becomes eligible to accept vouchers, ultimately giving these schools access to tax dollars before any track record of performance is evidenced.

HEA 1396 (Rep. McNamara, R - Evansville) Teacher Licensing for Military Spouses

Requires the State Board of Education to adopt rules that establish an expedited procedure for issuing, renewing or reinstating a teaching license for a spouse of a husband or wife who is stationed in Indiana. Current law allows this procedure, but the bill now requires it.

HEA 1430 (Rep. Olthoff, R-Crown Point) Suicide Awareness Prevention

After June 30, 2018, each school corporation, charter school and accredited non-public school shall require all teachers and may require other school employees in



third grade through 12th to undergo training in suicide prevention once every three years.

The bill makes clear that any mandated training must be done during school hours or at a time amenable to the employee.

The bill also requires the Division of Mental Health and Addiction to develop a statewide program for suicide prevention and to hire a program coordinator.

HEA 1449 (Rep. DeVon, R - South Bend) New Educator Induction Pilot Program

HEA 1449 establishes the Indiana New Educator Induction Program to provide mentoring to new teachers and administrators. The bill also establishes the Indiana New Educator Residency Pilot Program.

The bill urges the Legislative Council to consider the interim study topic of residency programs. The original bill contained an appropriation, but the bill now only sets up the infrastructure for the programs.

ISTA supports mentoring and induction. Research indicates these programs drastically reduce attrition, improve instructional practice and increase job satisfaction - all of which benefit student learning.

HEA 1537 (Rep. Gutwein, R - Francesville) Thirteenth Check

This bill would provide a 13th check in 2017 and 2018 for certain retired members of the Indiana state teachers' retirement fund and other public employee retirement plan participants.

The 13th check allocation is as follows for each of the two years of the biennium:



For members who retired or became disabled on or before December 1, 2016, (for the first year) and on or before December 1, 2017, (for the second year):

- If a member's creditable service is at least five years but less than 10 years: \$150.
- If a member's creditable service is at least 10 years but less than 20 years: \$275.
- If a member's creditable service is at least 20 years but less than 30 years: \$350.
- If a member's creditable service is at least 30 years: \$475.

These stipends are not true cost-of-living adjustments and do not attach to a retiree's base pension into the future.

SEA 29 (Sen. Koch, R - Bedford) Indiana History Course Elective

Requires that each school district, charter or accredited non-public school offer an elective course on Indiana history once every school year. The course may be offered by a course access provider through the IDOE under HEA 1007, which could mean more public money diverted from the district to virtual or otherwise private providers. This is an example of how HEA 1007 could begin to impact community-based public school funding.

The bill also establishes a survey of elementary and secondary school teachers, administrators and school board members to determine whether the survey participants favor the teaching of cursive writing - which has been a long-standing debate in the General Assembly.

SEA 30 (Sen. Koch, R- Bedford) Student School Information

This bill requires the IDOE to distribute each year the name of each eligible voucher



school in the area of legal settlement, and the number of students from the district enrolled in an eligible voucher school each semester. The IDOE must post the information on its website.

This bill provides greater transparency and useful information to school districts about voucher enrollment.

SEA 46 (Sen. Boots, R-Crawfordsville) Various Pension Matters

The bill allows individuals who are members of both teachers' retirement fund and public employees' retirement fund to make independent elections on annuity savings account (ASA) distributions.

A qualifying member may do any of the combinations:

1. Continue to invest all or part of the money in an ASA
2. Receive a distribution of all or part of the money in an ASA
3. Obtain an annuity with all or part of the money in an ASA.

Requires that TRF minimum monthly pension benefits are set at \$185, up from \$117.50.

SEA 61 (Sen. Head, R-Logansport) School Resource Officers

Requires the Commission on Seclusion and Restraint in Schools to establish rules for the reporting requirements regarding incidents of seclusion and restraint by school resource officers. The bill clarifies previous legislation so school districts have a uniform definition and reporting protocol for more accurate data collection.

School districts, charter schools and accredited non-public schools must report incidents of seclusion and restraint.



SEA 108 (Sen. Kruse, R - Auburn) Education Matters/IEERB

This bill does several unrelated things:

- Requires that a school improvement plan be approved by Aug. 1.
- Prohibits a student or a school from penalties due to student absences that are approved as educational activities.
- Specifies that the Indiana Education Employment Relations Board (IEERB) publish a model compensation plan for salaries. Existing Indiana law gives this authority to the IDOE and was the subject of litigation initiated by ISTA.
- Certain school districts must submit their compensation plans by Oct. 1.
- Permits a school board to deny transfer into a school district if the student has a history of unexcused absences and would potentially pose a problem of low attendance.
- Requires charter schools to have CPR training (virtual charter schools are exempt).
- Requires the Department of Workforce Development (DWD) to prepare a study of adult literacy programs.
- The bill expands special education transportation on busing to a sibling of a special education student.

SEA 182 (Sen. Houchin, R - Salem) Superintendent Contracts

The bill caps a buyout for local superintendent contracts at the lesser of one year's salary or \$250,000 and provides that a contract may be at least one year but no more than three years. A contract extension may be of greater length. This applies to contracts after June 30, 2017.



The purpose of the bill is to avoid overly excessive contract buyouts that have occurred in some districts at a large expense to taxpayers.

The bill also extends the authority to cancel a teacher contract to a superintendent in addition to a principal by providing notice to the teacher. This is the same provision that is found in HEA 1079.

SEA 196 (Sen. Kenley, R-Noblesville) School Debt Service Obligations

The bill codifies the state bond payment intercept policies to give to bond rating agencies additional confidence in the state's ability to successfully manage a potential debt payment default of a school district.

This bill was pursued to reduce or eliminate the danger of a downgrade in bond ratings, which affect interest payments.

SEA 198 (Sen. Eckerty, R - Yorktown; Sen. Mishler, R - Bremen) Career and Technical Education

Maintains career and technical education (CTE) enrollment funding and the Carl Perkins federal funds within the IDOE.

Requires the IDOE to implement a DWD career explorer program as a pilot through July 1, 2018, although this could be extended. After the pilot concludes, the bill requires each school district and each charter school to include in its eighth-grade curriculum this career explorer program and curriculum or some alternative system approved by the IDOE.

Beginning July 1, 2018, the DWD will have the authority to designate each CTE program based on certain program designations. Each program must be approved



by the DWD to receive CTE funding through the IDOE. It also makes changes to the grant calculations and program categories.

A complete analysis on how these changes will affect individual school districts has not yet been provided. It is clear, however, that for districts to continue to receive adequate CTE funding, this analysis must be conducted district-by-district in the coming months.

Also, it requires the governor's office to develop a comprehensive workforce development plan, with the assistance of the DWD, the Commission for Higher Education and the State Board of Education by November 1, 2017.

SEA 248 (Sen. Raatz - Centerville) Consolidation of School Corporations

SEA 248 would allow the consolidation of school districts. It enables consolidating districts to keep their respective debt (accrued pre-consolidation), which is a change in consolidation statutes. Also, enables each district to retain their school name and attendance areas. The bill also permits the consolidation to apply to administrative functions only.

The final version of the bill removed the financial incentives to consolidate. However, school efficiency grants were added to the budget bill.

SEA 337 (Sen. Taylor, D - Indianapolis) Study of Ethnic History and Racial Groups Course

Requires each school district, charter school and other eligible school to offer an elective course each year on ethnic and racial groups as part of the high school curriculum. The course may be offered through a course access provider through IDOE.



SEA 355 (Sen. Messmer, R - Jasper) Child Abuse Education and Policies

By July 1, 2018, IDOE must provide model materials and policies concerning reporting child and sexual abuse for the implementation of educational programs for grades K - 12. Current law only requires training for grades two through five.

The bill stipulates reporting requirements and prohibits a school district, charter or accredited nonpublic school from establishing a policy that delays or restricts the duty to report incidents of abuse or neglect.

The bill requires that beginning in 2018, no later than Dec. 15, a school must provide age appropriate instruction to K - 12 students on child abuse, sexual abuse and neglect.

Urges a summer study committee on the topic of teacher training for child and sexual abuse.

SEA 392 (Sen. Stoops, D - Bloomington) Emergency Medication

The bill allows a school district to fill prescriptions for, and stock certain "emergency medications," including epinephrine, albuterol or naloxone. Designated emergency medications are limited to these prescriptions for cases of serious life-threatening allergic reactions or prescription drug overdose.

Injectable epinephrine must have an expiration date of not less than 12 months from the date of disbursement from a pharmacy.

Provides certain immunity from liability. Requires a school nurse to make a report to IDOE for an incident of administering emergency medication.



SEA 407 (Rep. Houchin, R - Salem) Education (Union) Matters

SEA 407 is another attempt to interfere with teachers and their professional association. Under this bill, IEERB is empowered to compile association membership information, including membership numbers, and publish the data on a website.

IEERB is also required to develop and post training modules, videos or other instructional material informing school employees of union representation rights and how to change their membership.

Efforts to balance the message of this bill by requiring IEERB to also inform members of their statutory rights to join an association were unsuccessful.

SEA 409 (Sen. Erin Houchin, R - Salem) Collective Bargaining

The bill changes collective bargaining dates to begin Sept. 15 (instead of Aug. 1) and adjusts other dates so that both parties have better estimates of Average Daily Membership (ADM) counts and insurance premiums. ISTA requested this bill and believes it will provide better information for bargaining units and administrators to negotiate agreements.

This bill was included in ISTA's original legislative agenda.

SEA 447 (Sen. Merritt, R-Indianapolis) Child Services

Requires child abuse and neglect training for certain school employees. Makes clear that any mandated training must be done during school hours or at a time amenable to the employee. Makes numerous additional changes to the Department of Child Services provisions.

SEA 475 (Sen. Melton, D - Gary) Developmental Delay Designation

Requires the State Board of Education to amend its rules and extend the age for



classification of a student as having a development delay to age nine (current law provides for classification from ages three to five and the maximum age allowed under federal law is age nine). This range is more aligned with other states and provides students in need of additional wrap-around services opportunities rather than tracking them into special education.

The bill also adds developmental delay to the definition of certain mild and moderate disabilities for determining special education funding.

This bill was included in ISTA's original legislative agenda.

SEA 498 (Sen. Jeff Raatz, R - Centerville) Teacher Compensation

The bill restores master's degree compensation after a misinterpretation by IEERB, which previously stated teachers should only receive a pay increase for the first year after they "attained" their master's degree.

The bill clarifies that a teacher with a master's degree receives pay increases for "possession" of the master's.

The bill also clarifies reciprocity language making it easier for out-of-state teachers to come to Indiana.

This bill was included in ISTA's original legislative agenda.

SEA 504 (Sen. Leising, R - Oldenburg) Programs and Services for Charter Schools

Requires the IDOE to provide charter schools and certain non-public schools access to education service centers.



The bill also allows a combination of schools (districts, charters and non-publics) to join to reduce membership costs for receiving services from the centers and allocate the cost savings to student learning and instruction.

SEA 567 (Sen. Kenley, R - Noblesville and Sen. Melton, D - Gary) Distressed School Districts/Fiscally Impaired School Districts

SEA 567 began as a bill to assist the Gary Community School Corporation in dealing with some extreme fiscal conditions.

The bill evolved over the course of the legislative session into a bill that could have taken over both the Gary Community Schools and the Muncie Community School Corporation.

However, a team of community members, including the Muncie Teachers Association together with ISTA, prevented a state takeover with the pledge that Muncie can plan itself out of its fiscal difficulties.

Gary schools continue to be declared "a distressed unit" and will have an emergency manager, a chief fiscal officer and a chief academic officer running its operation.

Muncie Schools is declared a fiscally impaired school district through the end of this calendar year. The district will have an emergency manager, who may be the current superintendent, but there is no requirement for chief fiscal or academic officers. The law affords the district a chance to get out from the fiscally impaired and a potential distressed unit status by the end of the year.



DEAD BAD BILLS

SB 534 (Sen. Raatz, R-Richmond) Special Education Accounts

This bill would have established the Indiana Special Education Scholarship Account program, a further expansion of school choice in Indiana, beyond the state's controversial private school voucher program. The legislation is part of the ALEC model bill portfolio.

Under the bill, students who have been identified as having a disability, which requires special education services would have qualified for an education savings account (ESA). Unlike Indiana's current school voucher program, the student's family would receive 100 percent of the funding that their local public district would have received from the state, versus up to 90 percent for a school voucher.

Families could have used the ESA funds to pay outside service providers.

ISTA opposed the bill. Sen. Kruse heard the bill in committee but announced that he would not move it further, rendering it dead in the Senate and for this 2017 session.

HB 1047 (Rep. Culver, R-Goshen) Defined Contribution Only Plan as Default PERF Option

The default option for full-time public employees' retirement plans after June 30, 2017, would have become the defined contribution only plan unless the member affirmatively elects to become part of the Defined Benefit Fund.

This will become the ongoing concern with the newly enacted defined contribution only plan enacted this session in the budget bill for teachers.



This legislation deprives employees of an option they have historically been provided and one that provides the career employee with the best post-employment return.

Opposition to this bill resulted in no initial hearing scheduled.

HB 1253 (Rep. Culver, R-Goshen) End of Early Retirement for Public Employees

HB 1253 would have replaced the "rule of 85" with the "rule of 95," thus ending early retirement options for most eligible employees in Indiana's public retirement system. The bill would have impacted any public employee after July 1, 2017.

Opposition to this bill resulted in no initial hearing scheduled.

HB 1383 (Rep. Behning, R - Indianapolis) Elementary School Teachers

The introduced version of HB 1383 would have required every elementary school teacher initially licensed after 2021 to secure specialization in a specific content area and would have eliminated the elementary generalist license. Testimony against the bill clarified that current course requirements already include content areas.

Current licensure requirements call for all candidates to complete a content minor or concentration area. And along the way, all candidates must pass the Indiana CORE assessment, which covers reading/language arts, math, science, health and physical education and social studies and fine arts.

In the face of opposition, Rep. Behning (R- Indianapolis) offered an amendment to the bill that took a step back by directing the State Board of Education to establish, "one or more elementary school teacher content area licenses that must, at a



minimum, include a content area license that includes math and science." But, that effort failed, too, rendering the current licensure system maintained.

HB 1386 (Rep. Behning, R-Indianapolis) Competency-based Education

The bill would have established a competency-based education pilot program, a system under which a student advances to higher levels of learning once he/she demonstrates competency in concepts and skills regardless of time, place or pace. The bill would have opened the door to more virtual-type programming and would have posed issues with students rushing through curricula. Research shows that fast-tracking learning reduces knowledge retention.

This bill passed out of the House but failed to pass in the Senate.

HB 1389 (Rep. Clere, R-New Albany) Teacher Bonuses

The bill would have established a teacher bonus fund. ISTA supports any efforts to raise stagnant salaries for educators. However, the bill's guidelines would have based even more stipends on student test scores.

Furthermore, the bill's bonuses would have been linked to AP exams, SAT scores, leaving stipends only available to high school teachers. ISTA supports across-the-board, meaningful professional salaries for all educators that are the result of collectively bargained negotiations.

HB 1591 (Rep. Lucas, R-Seymour) Education Options Account Program

This bill was the House version of the Education Savings Accounts bill in the Senate (See SB 534).



This bill was an ALEC model for privatizing schools by allowing students to take advantage of individual accounts that would divert public tax dollars from school districts to private providers.

The House version was more expansive than even SB 534 by including all eligible students and not just special education.

