

First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

HOUSE ENROLLED ACT No. 1003

AN ACT to amend the Indiana Code concerning education.

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

SECTION 1. IC 6-1.1-17-5.3 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: **Sec. 5.3. A school corporation shall specify in its proposed budget the anticipated amount that will be transferred from the total revenue deposited in the school corporation's education fund to its operations fund during the next calendar year. At its public hearing to adopt a budget under this chapter, the school corporation shall acknowledge whether the school corporation's anticipated transfer amount will be more than fifteen percent (15%) of the total revenue deposited in the school corporation's education fund to its operations fund during the next calendar year.**

SECTION 2. IC 20-29-3-15 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: **Sec. 15. (a) The board shall prepare an annual report covering the previous school year or collective bargaining period that includes at least the information described in subsection (b). Before November 15 each year, the board shall:**

- (1) submit the report to the budget committee, department of education, state board, and legislative council in an electronic format under IC 5-14-6; and**
- (2) publish the report on the state's interactive and searchable**

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Internet web site containing local government information (the Indiana gateway for governmental units).

(b) The report must cover at least the following information:

(1) The total number of full-time public school teachers and the number of nonteaching full-time district level administrators.

(2) The average tenure of all full-time public school teachers.

(3) The number of first-year, full-time teachers hired during the previous calendar year.

(4) The number of full-time teachers who retired during the interval between the immediately preceding collective bargaining period and the previous calendar year's collective bargaining period.

(5) The overall average salary of nonteaching full-time district level administrators.

(6) The overall average salary of full-time public school teachers.

(7) The statewide average total compensation of full-time public school teachers, the statewide average daily teacher salary rate, and the statewide average annual teacher contract days.

(8) The statewide average total compensation of full-time public school administrators, the statewide average daily nonteaching, full-time, district level administrator salary rate, and the statewide average annual administrator contract days.

(9) The average salary and total compensation of full-time public school teachers for each school corporation.

(10) The average salary and total compensation of nonteaching, full-time district level administrators, including separately the superintendent, for each school corporation.

(11) The minimum full-time public school teacher salary.

(12) The maximum full-time public school teacher salary.

(13) The minimum nonteaching full-time district level administrative salary.

(14) The maximum nonteaching full-time district level administrative salary.

(15) The number of full-time public school teachers earning a salary under the statewide average.

(16) The number of full-time public school teachers earning a salary in excess of the statewide average.

(17) For each school corporation, the average salary paid to



full-time public school teachers in each of the following tenure benchmarks:

- (A) First year.
- (B) Fifth year.
- (C) Tenth year.
- (D) Fifteenth year.
- (E) Twentieth year.
- (F) Twenty-fifth year.
- (G) Thirty (30) or more years of service.

(18) For each school corporation, the nominal dollar figures for subdivisions (5), (6), (11), (12), (13), (14), and (17) in nationally recognized, open-source, state-specific cost of living index-adjusted dollars to compare to the figures described in subdivision (19).

(19) Comparative data on overall full-time public school teacher salary averages and by each of the tenure benchmarks listed in subdivision (17) in both nominal dollars and nationally recognized, open-source, state-specific cost of living index-adjusted dollars for each of the following states:

- (A) Illinois.
- (B) Kentucky.
- (C) Michigan.
- (D) Ohio.
- (E) Wisconsin.

(20) The total number of full-time teachers retained from the previous year.

(21) The total number of newly hired teachers with previous work experience in teaching.

(22) The total number of teaching candidates who:

- (A) are currently enrolled in a teacher preparation program; or
- (B) have recently completed a teacher preparation program.

(23) The increase or decrease in kindergarten through grade 12 student enrollments.

(24) The total number of teachers in Indiana.

(25) The teacher workforce growth.

(26) The administrator workforce growth.

As used in this subsection, total compensation includes the monetary value of salary, wages, bonuses, stipends, supplemental payments, commissions, employment benefits, and any other form of remuneration paid for personal services.



(c) The board may require schools to submit any school corporation specific information needed to complete the report. Parties to a collective bargaining agreement shall comply with the board's requests for information necessary to complete the report.

SECTION 3. IC 20-40-2-0.3 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2020]: **Sec. 0.3. As used in this chapter, "education fund transfer target percentage" refers to the threshold maximum education fund transfer percentage set forth in section 6 of this chapter.**

SECTION 4. IC 20-40-2-0.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2020]: **Sec. 0.5. As used in this chapter, "excessive education fund transfer list" refers to the list required by section 6 of this chapter.**

SECTION 5. IC 20-40-2-6, AS ADDED BY P.L.244-2017, SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2020]: **Sec. 6. (a) Each school corporation shall make every reasonable effort to transfer not more than fifteen percent (15%) of the total revenue deposited in the school corporation's education fund from the school corporation's education fund to the school corporation's operations fund during a calendar year.**

~~(a)~~ **(b)** Only after the transfer is authorized by the governing body in a public meeting with public notice, money in the education fund may be transferred to the operations fund to cover expenditures that are not allocated to student instruction and learning under IC 20-42.5. The amount transferred from the education fund to the operations fund shall be reported by the school corporation to the department. The transfers made during the:

(1) first six (6) months of each state fiscal year shall be reported before January 31 of the following year; and

(2) last six (6) months of each state fiscal year shall be reported before July 31 of that year.

~~(b)~~ **(c)** The report must include information as required by the department and in the form required by the department.

~~(c)~~ **(d)** The department must post the report submitted under subsection ~~(a)~~ **(b)** on the department's Internet web site.

(e) Beginning in 2020, the department shall track for each school corporation transfers from the school corporation's education fund to its operations fund for the preceding six (6) month period. Beginning in 2021, before February 1 of each year, the department shall compile an excessive education fund transfer list comprised



of all school corporations that transferred more than fifteen percent (15%) of the total revenue deposited in the school corporation's education fund from the school corporation's education fund to the school corporation's operations fund during the immediately preceding calendar year. A school corporation that is not included on the excessive education fund transfer list is considered to have met the education fund transfer target percentage for the immediately preceding calendar year.

SECTION 6. IC 20-40-2-8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2020]: **Sec. 8. The Indiana education employment relations board and the division of finance of the department shall be available to consult with and provide technical assistance to each school corporation that is included on the excessive education fund transfer list required under section 6 of this chapter.**

SECTION 7. IC 20-40-2-9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2020]: **Sec. 9. (a) For each school corporation included on the excessive education fund transfer list required under section 6 of this chapter, the department shall, not later than March 1 of each year, submit in both a written and an electronic format a notice to the school corporation's superintendent, school business officer, and governing body that the school corporation did not meet its education fund transfer target percentage for the previous calendar year.**

(b) If a school corporation's governing body receives a notice from the department under subsection (a), the school corporation shall do all of the following:

- (1) Publicly acknowledge receipt of the excessive education fund transfer list notice from the department at the governing body's next public meeting.**
- (2) Enter into the governing body's official minutes for that meeting acknowledgment of the notice.**
- (3) Publish on the school corporation's Internet web site the department's notice and any relevant individual reports prepared by the department within thirty (30) days after the public meeting.**

SECTION 8. IC 20-40-2-10 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2020]: **Sec. 10. (a) After the department completes the school corporation notice requirement under section 9 of this chapter, the department shall notify the state board, fiscal and**



qualitative indicators committee, and Indiana education employment relations board as soon as possible of all school corporations that received a notice stating they were on the excessive education fund transfer list for the immediately preceding calendar year.

(b) Upon receipt of the department notice to a school corporation under section 9 of this chapter, the school corporation's superintendent and financial personnel, including the school's business officer, shall prepare and submit explanatory documentation within ninety (90) days, explaining the following:

(1) How and why the school corporation's leadership believes the school corporation failed to meet the education fund transfer target percentage.

(2) The steps the school corporation's leadership is planning or actively taking to budget and spend during the next calendar year to meet the education fund transfer target percentage for the next calendar year.

(c) The school corporation's superintendent shall submit the explanatory documentation to the department and the fiscal and qualitative indicators committee.

(d) Upon submission of the explanatory documentation under subsection (b), the school corporation's superintendent shall present the explanatory documentation to the school corporation's governing body at its next public meeting. The governing body shall enter both the actual documentation and corresponding discussion into its official minutes for that meeting.

(e) Upon the completion of the duties under subsection (d), the school corporation shall publish the explanatory documentation alongside any further notices and related reports from the department on its Internet web site within thirty (30) days.

(f) Upon receipt of a school corporation's explanatory documentation, the fiscal and qualitative indicators committee shall officially acknowledge receipt of the documentation at its next public meeting and enter the receipt into its official minutes for that meeting.

(g) Upon receipt of the explanatory documentation, the department, in collaboration with the fiscal and qualitative indicators committee, shall review the documentation within sixty (60) days to make a preliminary determination of whether the documentation satisfactorily demonstrates that the school corporation's leadership has outlined and begun a corrective action plan to make progress in meeting the education fund transfer



target percentage for the next calendar year.

(h) If the department determines the explanatory documentation is not satisfactory, the department may contact the superintendent and financial personnel, including the school business officer, of the school corporation to schedule as soon as possible an appearance before the fiscal and qualitative indicators committee at a public meeting to provide an opportunity to explain the details within the explanatory documentation, and to explain to the fiscal and qualitative indicators committee the school corporation's budgeting and compensation levels in relation to the following for the school corporation:

- (1) How and why the education fund transfer target percentage was not met during the previous calendar year.
- (2) Total combined expenditures.
- (3) Student instructional expenditures.
- (4) Noninstructional expenditures.
- (5) Full-time teacher compensation expenditures.
- (6) Nonteaching, full-time administrative personnel compensation expenditures.
- (7) Nonteaching staff personnel compensation expenditures.
- (8) Any prior or planned attempts to seek the assistance available under this chapter from the Indiana education employment relations board and the department's division of finance.
- (9) Any prior or planned pooling of resources, combined purchases, usage of shared administrative services, or collaboration with contiguous school corporations in reducing noninstructional expenditures as described under IC 20-42.5-2-1.
- (10) Any prior or planned participation in a county school safety commission under IC 5-2-10.1-10 to assist and reduce school safety expenditures.
- (11) Any prior or planned consideration of meeting the requirements of and applying for school corporation efficiency incentive grants under IC 36-1.5-6.

(i) The fiscal and qualitative indicators committee may contact the superintendent and financial personnel, including the school's business officer, of a school corporation that has been included on the department's excessive education fund transfer list for at least two (2) immediately preceding calendar years to provide the school corporation an opportunity to explain to the fiscal and qualitative indicators committee in a public meeting the school corporation's



budgeting and compensation levels in relation to the items listed in subsection (h).

(j) After the fiscal and qualitative indicators committee receives the school corporation's explanation under this section, the fiscal and qualitative indicators committee may issue an official recommendation to the school corporation to perform a review and improve its budgeting procedures in consultation with any state agencies the fiscal and qualitative indicators committee considers appropriate. The state agencies specified by the fiscal and qualitative indicators committee shall assist the school corporation before and during its next collective bargaining period with the goal of meeting or making progress toward the education fund transfer target percentage. If the fiscal and qualitative indicators committee issues an official recommendation to a school corporation, the school corporation's governing body shall officially acknowledge receipt of the recommendation at its next public meeting and enter into the school corporation governing body's minutes for that meeting acknowledgment of receipt of the recommendation. In addition, the school corporation shall publish the official recommendation on the school corporation's Internet web site.

(k) The school corporation shall publish the most recent notices from the department, relevant individual reports prepared by the department, explanatory documentation by the school corporation, and official recommendations by the fiscal and qualitative indicators committee on the school corporation's Internet web site.

(l) The school corporation may remove the notice, its explanatory documentation, and the fiscal and qualitative indicators committee's official recommendation from its Internet web site if the department determines that the school corporation met its education fund transfer target percentage and is no longer on the excessive education fund transfer list.



Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Governor of the State of Indiana

Date: _____ Time: _____

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