



March 22, 2005

**ENGROSSED
SENATE BILL No. 397**

DIGEST OF SB 397 (Updated March 21, 2005 12:07 pm - DI 109)

Citations Affected: IC 6-1.1; IC 9-21; IC 10-13; IC 20-1; IC 20-3; IC 20-4; IC 20-8.1; IC 20-9.1; IC 20-10.1; IC 20-12; IC 20-20; IC 20-23; IC 20-25; IC 20-26; IC 20-27; IC 20-28; IC 20-33; IC 20-34; IC 20-35; IC 20-37; IC 33-33; IC 36-1.

Synopsis: Various matters concerning education. Specifies that, if the governing bodies of two or more school corporations agree to cooperate and apportion the cost of vocational education schools or departments, the designated representatives of the school corporations constitute a board for the management of the schools or departments. Specifies the criminal intent necessary to commit crimes involving: (1) postsecondary proprietary educational institution accreditation; and (2) school bus use. Specifies that a principal and not the governing body of a school corporation submits information to the bureau of motor vehicles concerning: (1) an individual's ineligibility to be issued a driver's license or learner's permit; and (2) the invalidation of a license or permit. Repeals obsolete or superseded provisions, including provisions concerning purchase of textbooks, school taxing powers, school reorganization, school bonding, transportation of pupils, county schools, and annexation of territory. Makes conforming amendments. (The introduced version of this bill was prepared by the code revision commission.)

Effective: July 1, 2005.

Landske

(HOUSE SPONSOR — FOLEY)

January 11, 2005, read first time and referred to Committee on Judiciary.
February 24, 2005, amended, reported favorably — Do Pass.
February 28, 2005, read second time, ordered engrossed. Engrossed.
March 1, 2005, read third time, passed. Yeas 48, nays 0.

HOUSE ACTION

March 14, 2005, read first time and referred to Committee on Education.
March 21, 2005, amended, reported — Do Pass.

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ES 397—LS 6986/DI 69+



March 22, 2005

First Regular Session 114th General Assembly (2005)

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 2004 Regular Session of the General Assembly.

ENGROSSED SENATE BILL No. 397

A BILL FOR AN ACT to amend the Indiana Code concerning education.

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

1 SECTION 1. IC 6-1.1-18.5-10.3, AS AMENDED BY P.L.2-2005,
2 SECTION 88, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2005]: Sec. 10.3. (a) The ad valorem property tax levy limits
4 imposed by section 3 of this chapter do not apply to ad valorem
5 property taxes imposed by a library board for a capital projects fund
6 under ~~IC 36-12-3~~ **IC 36-12-12**. However, the maximum amount that
7 is exempt from the levy limits under this section may not exceed the
8 property taxes that would be raised in the ensuing calendar year with
9 a property tax rate of one and thirty-three hundredths cents (\$0.0133)
10 per one hundred dollars (\$100) of assessed valuation.

11 (b) For purposes of computing the ad valorem property tax levy
12 limit imposed on a library board under section 3 of this chapter, the
13 library board's ad valorem property tax levy for a particular calendar
14 year does not include that part of the levy imposed under ~~IC 36-12-3~~
15 **IC 36-12-12** that is exempt from the ad valorem property tax levy
16 limits under subsection (a).

17 SECTION 2. IC 9-21-5-13, AS AMENDED BY HEA 1288-2005,

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1 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2005]: Sec. 13. (a) Except as provided in subsections (b) and
3 (c), a person who violates this chapter commits a Class C infraction.

4 (b) A person who exceeds a speed limit that is:
5 (1) established under section 6 of this chapter and imposed only
6 in the immediate vicinity of a school when children are present;
7 or
8 (2) established under section 11 of this chapter and imposed only
9 in the immediate vicinity of a worksite when workers are present;
10 commits a Class B infraction.

11 (c) A person who while operating a school bus **knowingly,**
12 **intentionally, or recklessly** exceeds a speed limit set forth in section
13 14 of this chapter commits a Class C misdemeanor.

14 SECTION 3. IC 9-21-12-11, AS AMENDED BY HEA 1288-2005,
15 SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 JULY 1, 2005]: Sec. 11. (a) A person who violates section 5, 6, or 7 of
17 this chapter commits a Class C infraction.

18 (b) A person who **knowingly, intentionally, or recklessly** violates
19 section 12, 13, 14, 15, 16, or 17 of this chapter commits a Class C
20 misdemeanor.

21 SECTION 4. IC 10-13-3-21, AS AMENDED BY HEA 1288-2005,
22 SECTION 116, IS AMENDED TO READ AS FOLLOWS
23 [EFFECTIVE JULY 1, 2005]: Sec. 21. As used in this chapter, "special
24 education cooperative" has the meaning set forth in ~~IC 20-35-5-1(a)(7):~~
25 **IC 20-35-5-1(7).**

26 SECTION 5. IC 20-1-18-7 IS AMENDED TO READ AS
27 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. (a) Two (2) or more
28 school corporations may cooperate to establish and maintain or
29 supervise schools or departments for vocational education if the
30 governing bodies of these school corporations agree to cooperate and
31 apportion the cost of the schools or departments among the school
32 corporations.

33 (b) If the cooperating school corporations agree to establish and
34 maintain or supervise the schools or departments under subsection (a),
35 the ~~heads of these~~ **designated representatives of the** school
36 corporations ~~or their delegated representatives~~ constitute a board for
37 the management of the schools or departments. The board may adopt
38 a plan of organization, administration, and support for the schools or
39 departments. This plan, if approved by the Indiana state board of
40 education, constitutes a binding contract between the cooperating
41 school corporations.

42 (c) The governing bodies of the cooperating school corporations

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1 may cancel or annul this contract by the vote of a majority of these
2 governing bodies and upon the approval of the Indiana state board of
3 education. However, if a school corporation desires to withdraw a
4 course offering from the cooperative agreement after:

5 (1) attempting to withdraw the course offering under any
6 withdrawal procedure authorized by the school corporation's
7 cooperative agreement or by law; and

8 (2) being denied the authority to withdraw the course offering;
9 the school corporation may appeal the denial to the Indiana state board
10 of education. In the appeal a school corporation must submit a proposal
11 requesting the withdrawal to the Indiana state board of education for
12 approval. The proposal must describe how the school corporation
13 intends to implement the particular vocational education course and
14 must include a provision that provides for at least a two (2) year
15 phase-out of the educational program or course offering from the
16 cooperative agreement. Upon approval of the proposal by the Indiana
17 state board of education, the school corporation may proceed with the
18 school corporation's withdrawal of the course offering from the
19 agreement and shall proceed under the proposal. This withdrawal
20 procedure may not be construed to permit a school corporation to
21 change any other terms of the contract under subsection (b) except
22 those terms that require the school corporation to provide the particular
23 course offering sought to be withdrawn.

24 (d) The board described in subsection (b) may enter into an
25 agreement to acquire sites, buildings, and equipment by lease or
26 purchase that are suitable for these schools or departments. This
27 authority extends to the acquisition of facilities available under
28 IC 21-5-11.

29 (e) This board may, by resolution adopted by a majority of the
30 board, designate three (3) or more individuals from its membership to
31 constitute an executive committee. To the extent provided in the
32 resolution, this committee shall exercise the authority of the full board
33 in the management of the school and shall submit a written summary
34 of its actions to the full board at least semiannually.

35 SECTION 6. IC 20-1-19-23 IS AMENDED TO READ AS
36 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 23. (a) A person who
37 **knowingly, intentionally, or recklessly** violates this chapter commits
38 a Class B misdemeanor, except as provided in subsection (b) of this
39 section.

40 (b) A person who, with intent to defraud, represents himself **or**
41 **herself** to be an agent of a postsecondary proprietary educational
42 institution commits a Class C felony.

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1 SECTION 7. IC 20-3-14-7 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. With respect to
3 whether the disposition of the assets and liabilities of the losing school
4 corporation, allocation of school tax receipts, and the amount to be paid
5 by the acquiring school corporation is equitable, the court shall be
6 satisfied that the annexing resolution conforms substantially to the
7 following standards:

8 (a) The acquiring school corporation shall assume a portion of all
9 installments of principal and interest on any indebtedness of the losing
10 school corporation (other than current obligations or temporary
11 borrowing) which fall due after the end of the last calendar year in
12 which the losing school corporation is entitled to receive current tax
13 receipts from property tax levies on the property on the annexed
14 territory. ~~Such~~ **The portion shall consist consists** of the following:

15 (1) All ~~such~~ installments relating to any indebtedness incurred in
16 connection with the acquisition or construction of any building
17 located in the annexed territory.

18 (2) A proportion of all ~~such~~ installments relating to any other
19 indebtedness which is the same proportion as the valuation of the
20 real property in the annexed territory bears to the valuation of all
21 the real property in the losing school corporation, as the same is
22 assessed for general taxation immediately prior to annexation.

23 (b) The acquiring school corporation shall make the payments and
24 assume the obligations provided for a school corporation acquiring
25 territory ~~and/or~~ **or** building or buildings under IC 21-5-10.

26 ~~(c) Unless the losing school corporation shall consent to some other~~
27 ~~allocation, the portion of the special school and tuition fund moneys~~
28 ~~collected by the losing school corporation shall not be allocated in a~~
29 ~~greater amount to the acquiring school corporation than would be~~
30 ~~awarded if such two (2) corporations were respectively the original~~
31 ~~school corporation and the annexing school corporation within the~~
32 ~~meaning of IC 20-4-16, and the amount to be paid the losing~~
33 ~~corporation by the acquiring school corporation on account of the~~
34 ~~acquisition by the acquiring school corporation of a building in the~~
35 ~~annexed territory shall not be less than would be awarded if such two~~
36 ~~(2) school corporations were respectively the acquiring corporation and~~
37 ~~original school corporation within the meaning of IC 20-4-15.~~

38 ~~(d)~~ **(c)** Where the annexed territory includes all of any losing school
39 corporation, the acquiring school corporation shall acquire all of the
40 property and assets of the losing school corporation without making
41 payment of any nature for the same and shall assume all of the
42 liabilities and obligations of the losing school corporation.

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1 SECTION 8. IC 20-4-1-3 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2005]: Sec. 3. As used in this chapter, unless
3 context clearly requires otherwise, the following terms shall have the
4 meanings set forth:

5 (1) "School corporation" ~~shall mean and include~~ **means** all local
6 school corporations in the state of Indiana.

7 (2) "Reorganization of school corporations" ~~shall mean and~~
8 ~~include~~ **means** the formation of new school corporations, the
9 alteration of the boundaries of established school corporations,
10 and the dissolution of established school corporations, through or
11 by means of:

12 ~~(a)~~ **(A)** the uniting of two (2) or more established school
13 corporations;

14 ~~(b)~~ **(B)** the subdivision of one (1) or more school corporations;

15 ~~(c)~~ **(C)** the transfer to any established school corporation of a
16 part of the territory of one (1) or more school corporations, or
17 the attachment thereto of all or any part of the territory of one
18 (1) or more school corporations, or the transfer of said
19 established school corporation; and

20 ~~(d)~~ **(D)** any combination of the methods listed in ~~subdivisions~~
21 ~~(a)~~ **clauses (A)** through ~~(c)~~ **(C)**.

22 (3) "Community school corporation" ~~shall mean~~ **means** a school
23 corporation proposed to be formed or formed under the provisions
24 of this chapter and shall include a united school corporation as
25 defined in this section.

26 (4) "United school corporation" ~~shall mean~~ **means** a school
27 corporation having territory in two (2) or more adjacent counties.

28 (5) "Administrative unit" ~~shall mean~~ **means** a school corporation
29 comprising all the area under a single system of local
30 administration and under the control of a local board of education,
31 board of school trustees, or board of school commissioners.

32 (6) "Attendance unit" or "school unit" ~~shall mean~~ **means** the
33 geographical and population area served by a single school,
34 consisting of part, or all, of an administrative unit.

35 (7) "County committee" or "committee" ~~shall mean~~ **means** the
36 county committee for the reorganization of school corporations,
37 provided for in section 5 through ~~14~~ **13** of this chapter.

38 (8) "State board" or "board" ~~shall mean~~ **refers to** the Indiana state
39 board of education.

40 (9) "State department" ~~shall mean~~ **refers to** the state department
41 of education.

42 (10) "State superintendent" ~~shall mean~~ **refers to** the state

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- superintendent of public instruction.
- (11) "County superintendent" ~~shall mean~~ **refers to** the county superintendent of schools.
- (12) "Party" includes any person, firm, limited liability company, corporation, association, or municipality interested in any proceedings under the provisions of this chapter.
- (13) "School aid bonds" ~~shall mean~~ **means** any bonds of a civil unit of government the proceeds of which were used for school purposes in any school corporation.

SECTION 9. IC 20-4-4-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. (a) With respect to whether the disposition of the assets and liabilities of the losing school corporation, allocation of school tax receipts and the amount to be paid by the acquiring school corporation is equitable, the court subject to the provisions of subdivision (b) shall be satisfied that the annexing resolution conforms substantially to the following standards:

- (1) The acquiring school corporation shall assume a portion of all installments of principal and interest on any indebtedness of the losing school corporation (other than current obligations or temporary borrowing) which fall due after the end of the last calendar year in which the losing school corporation is entitled to receive current tax receipts from property tax levies on the property on the annexed territory. ~~Such~~ **The** portion ~~shall consist~~ **consists** of the following:
 - (i) **(A)** All ~~such~~ installments relating to any indebtedness incurred in connection with the acquisition or construction of any building located in the annexed territory. ~~and~~
 - (ii) **(B)** A proportion of all ~~such~~ installments relating to any other indebtedness which is the same proportion as the valuation of the real property in the annexed territory bears to the valuation of all the real property in the losing school corporation, as the same is assessed for general taxation immediately prior to annexation.
- (2) The acquiring school corporation shall make the payments and assume the obligations provided for school corporation acquiring territory and/or building or buildings under IC 21-5-10.
- (3) ~~Unless the losing school corporation shall consent to some other allocation: the portion of the general fund moneys collected by the losing school corporation shall not be allocated to the acquiring school corporation in a greater amount than would be awarded if such two (2) corporations were respectively the "original school corporation" and the "annexing school~~

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1 corporation" within the meaning of IC 20-4-16; using the method
 2 therein provided for allocating the special school and tuition fund
 3 moneys.

4 (b) Such standards shall not be applicable to the extent the losing
 5 and acquiring school corporations otherwise agree in a situation where
 6 all or a majority of the students in the annexed territory have been
 7 transferred from the losing to the acquiring school corporation for the
 8 five (5) school years immediately preceding the transfer. Such
 9 agreement, as between school corporations, shall not, however,
 10 prejudice the rights of bondholders or lessors whose rights as against
 11 the losing and acquiring school corporations shall, upon enforcement,
 12 be allocated between them in accordance with subsection (a)(1) and
 13 (2).

14 SECTION 10. IC 20-4-5-25.5 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 25.5. (a) This section
 16 provides an alternative method for a school corporation to reorganize
 17 as a community school corporation.

18 (b) The following may petition directly to the state board to be
 19 reorganized as a community school corporation:

20 (1) A consolidated school corporation organized under section 2
 21 of this chapter.

22 ~~(2) A county school corporation organized under IC 20-4-8-2.~~

23 ~~(3)~~ (2) A metropolitan school district organized under
 24 IC 20-4-8-12 or IC 20-4-8-24.

25 (c) The following apply to a school corporation that petitions
 26 directly to the state board under subsection (b):

27 (1) The school corporation is not required to do the following:

28 (A) Seek approval of a county committee established by
 29 IC 20-4-1-5.

30 (B) Pursue a joint meeting of a county committee and the state
 31 board under IC 20-4-1-17.1.

32 (2) The state board may waive the attainment of any standard
 33 required for reorganization as a community school corporation
 34 under this chapter.

35 SECTION 11. IC 20-4-8-25 IS AMENDED TO READ AS
 36 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 25. In the resolution
 37 creating a county school corporation or metropolitan school district, or
 38 in the petitions requesting the creation of or requesting a referendum
 39 on the question of creating such corporation or district, under section
 40 ~~2~~, 12 or 24 of this chapter, the resolutions or petitions may specify
 41 when such school corporation or school district shall be created and
 42 come into existence, and such corporation or district shall then be

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1 created and come into existence at the time provided in all such
2 resolutions or petitions.

3 SECTION 12. IC 20-4-57-7 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. (a) If the department
5 of local government finance submits a petition to the school property
6 tax control board under section 5 of this chapter, the school property
7 tax control board shall hold a fact finding hearing.

8 (b) At a hearing described in subsection (a), the school property tax
9 control board shall determine the following:

10 (1) Whether the township school has made all payments required
11 by any statute, including the following:

- 12 (A) P.L.32-1999.
- 13 (B) IC 20-4-4-7. ~~and IC 20-4-16-3.~~
- 14 (C) The resolution or plan of annexation of the township
15 school, including:

- 16 (i) any amendment to the resolution or plan;
- 17 (ii) any supporting or related documents; and
- 18 (iii) any agreement between the township school and an
19 annexing corporation relating to the winding up of affairs of
20 the township school.

21 (2) The amount, if any, by which the township school is in arrears
22 on any payment described in subdivision (1).

23 (3) Whether the township school has filed with the department all
24 reports concerning the affairs of the township school, including
25 all transfer tuition reports required for the two (2) school years
26 immediately preceding the date on which the township school was
27 annexed.

28 (c) In determining the amount of arrears under subsection (b)(2), the
29 school property tax control board shall consider all amounts due to an
30 annexing corporation, including the following:

- 31 (1) Any transfer tuition payments due to the annexing corporation.
- 32 (2) All levies, excise tax distributions, and state distributions
33 received by the township school and due to the annexing
34 corporation, including levies and distributions received by the
35 township school after the date on which the township school was
36 annexed.
- 37 (3) All excessive levies that the township school agreed to impose
38 and pay to an annexing corporation but failed to impose.

39 (d) If, in a hearing under this section, a school property tax control
40 board determines that a township school has:

- 41 (1) under subsection (b)(1), failed to make a required payment; or
- 42 (2) under subsection (b)(3), failed to file a required report;

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1 the department may act under section 8 of this chapter.

2 SECTION 13. IC 20-8.1-5.1-26 IS AMENDED TO READ AS
 3 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 26. Before February 1
 4 and before October 1 of each year, except when a hearing has been
 5 requested under IC 9-24-2-1(a)(4), ~~the governing body of the school~~
 6 ~~corporation a principal~~ shall submit to the bureau of motor vehicles
 7 the pertinent information concerning an individual's ineligibility under
 8 IC 9-24-2-1 to be issued a driver's license or learner's permit, or
 9 concerning the invalidation of a license or permit under IC 9-24-2-4.

10 SECTION 14. IC 20-8.1-7-11 IS AMENDED TO READ AS
 11 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 11. (a) Not later than
 12 sixty (60) days after the enrollment of children for the first time and
 13 when additional immunizations are required by statute or rule, each
 14 school shall file a written report with the state department of health and
 15 the local health department having jurisdiction. The report shall include
 16 the following:

17 (1) A statement of the number of children who have demonstrated
 18 immunity against diphtheria, pertussis (whooping cough), tetanus,
 19 measles, rubella, poliomyelitis, mumps, and hepatitis B.

20 (2) A statement of the number of children who have not
 21 demonstrated immunity against the illnesses listed in subdivision
 22 (1).

23 (3) A statement of the number of children who have been found
 24 positive for sickle cell anemia and lead poisoning.

25 (b) The state department of health and the local health department
 26 shall, for good cause shown that there exists a substantial threat to the
 27 health and safety of a student or the school community, be able to
 28 validate immunization reports by onsite reviews or examinations of
 29 nonidentifying immunization record data. This section does not
 30 independently authorize the state department of health, a local
 31 department of health, or an agent of the state or local department of
 32 health to have access to identifying medical or academic record data of
 33 individual students attending nonaccredited nonpublic schools.

34 (c) A **school shall file a report** ~~shall also be filed~~ for each child who
 35 enrolls subsequent to the filing of the report for children who enrolled
 36 at the beginning of the school year. The state department of health shall
 37 have exclusive power to adopt rules for the administration of this
 38 section.

39 SECTION 15. IC 20-9.1-5-22 IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 22. (a) Except as
 41 provided in subsection (b) or in another section of this article, a person
 42 who **knowingly, intentionally, or recklessly** violates chapter 2, 2.5,

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1 3, 4, or 5 of this article commits a Class C misdemeanor.
 2 (b) A person who violates section 6.6 of this chapter commits a
 3 Class B infraction.
 4 SECTION 16. IC 20-10.1-11-10 IS AMENDED TO READ AS
 5 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. (a) Each governing
 6 body shall make requisition for the necessary textbooks for the students
 7 from the contracting publishers approved by the state board of
 8 education. The contracting publisher shall ship the books, within ninety
 9 (90) days, directly to these officials. On receipt of the books, each
 10 school corporation shall have charge and custody of all books
 11 consigned to it, receipting to the contracting publisher for them, and
 12 each governing body shall reimburse the contracting publisher the
 13 amount owed by the school corporation for these books from its general
 14 fund.
 15 (b) Each governing body shall purchase with its general fund money
 16 any current textbooks, from a resident student who presents them for
 17 sale on or before the beginning of the school term in which the books
 18 are to be used, at a price based on the original price to the corporation
 19 less a reasonable reduction for damage from usage.
 20 (c) ~~The proper school authorities shall likewise purchase any stock~~
 21 ~~of books which are to be used during any school year from any dealer~~
 22 ~~whose business is located in the county in which the school corporation~~
 23 ~~is located, and who was authorized by law to sell these books before~~
 24 ~~March 1, 1935, at not to exceed the price paid by the dealer to the~~
 25 ~~contracting publisher from whom these books were purchased.~~
 26 SECTION 17. IC 20-10.1-25.5-3 IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) The council shall
 28 advise the state superintendent and the governor on education related
 29 technology initiatives.
 30 (b) The appointed membership of the council shall reflect its
 31 purposes and be experienced in technology generally. An appointed
 32 member of the council serves at the pleasure of the appointing
 33 authority. The council consists of the following sixteen (16) voting
 34 members:
 35 (1) The state superintendent of public instruction.
 36 (2) The special assistant to the state superintendent of public
 37 instruction responsible for technology who is appointed under
 38 section 5 of this chapter.
 39 (3) Four (4) individuals who represent private business appointed
 40 jointly by the state superintendent and the governor. Each
 41 member appointed under this subdivision must be experienced in
 42 development and utilization of information technology. None of

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1 the members appointed under this subdivision may represent
 2 possible providers of technology or related services.
 3 (4) Three (3) individuals who:
 4 (A) manage educational environments, including higher
 5 education; and
 6 (B) are experienced in their educational work with information
 7 technology;
 8 are appointed jointly by the state superintendent and the governor.
 9 (5) Three (3) individuals who are public school educators familiar
 10 with and experienced in the use of technology in educational
 11 settings appointed jointly by the state superintendent and the
 12 governor, with one (1) representing an urban school corporation,
 13 one (1) representing a suburban school corporation, and one (1)
 14 representing a rural school corporation.
 15 (6) Four (4) members who are members of the general assembly
 16 and who are appointed as follows:
 17 (A) Two (2) members of the house of representatives,
 18 appointed by the speaker of the house of representatives with
 19 not more than one (1) from a particular political party.
 20 (B) Two (2) members of the senate, appointed by the president
 21 pro tempore of the senate with not more than one (1) from a
 22 particular political party.
 23 (c) The state superintendent shall designate the chair of the council
 24 from the membership of the council.
 25 (d) Nine (9) members of the council constitute a quorum to conduct
 26 business. No action of the council is valid unless approved by at least
 27 ~~seven (7)~~ **nine (9)** voting members of the council.
 28 (e) Each member of the council who is not a state employee is not
 29 entitled to the minimum salary per diem as provided by
 30 IC 4-10-11-2.1(b). The member is, however, entitled to reimbursement
 31 for traveling expenses as provided under IC 4-13-1-4 and other
 32 expenses actually incurred in connection with the member's duties as
 33 provided in the state policies and procedures established by the Indiana
 34 department of administration and approved by the budget agency.
 35 (f) Each member of the council who is a state employee but who is
 36 not a member of the general assembly is entitled to reimbursement for
 37 traveling expenses as provided under IC 4-13-1-4 and other expenses
 38 actually incurred in connection with the member's duties as provided
 39 in the state policies and procedures established by the Indiana
 40 department of administration and approved by the budget agency.
 41 (g) Each member of the council who is a member of the general
 42 assembly is entitled to receive the same per diem, mileage, and travel

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1 allowances paid to members of the general assembly serving on interim
2 study committees established by the legislative council.

3 SECTION 18. IC 20-12-76-18, AS ADDED BY HEA 1288-2005,
4 SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2005]: Sec. 18. (a) Subject to subsections (b), (c), (e), and (f),
6 the commission shall determine the penal sum of each surety bond
7 based upon the following guidelines:

8 (1) A postsecondary proprietary educational institution that has no
9 annual gross tuition charges assessed for the previous year shall
10 secure a surety bond in the amount of five thousand dollars
11 (\$5,000).

12 (2) If the postsecondary proprietary educational institution's
13 annual gross tuition charges assessed for the previous year are not
14 more than five thousand dollars (\$5,000), the institution shall
15 secure a surety bond in the amount of one hundred percent
16 (100%) of that institution's annual gross tuition charges assessed
17 for the previous year.

18 (3) If the postsecondary proprietary educational institution's
19 annual gross tuition charges assessed for the previous year are
20 more than five thousand dollars (\$5,000) but less than fifty
21 thousand dollars (\$50,000), the institution shall secure a surety
22 bond in the amount of five thousand dollars (\$5,000).

23 (4) If the postsecondary proprietary educational institution's
24 annual gross tuition charges assessed for the previous year are
25 more than fifty thousand dollars (\$50,000) but less than five
26 hundred thousand dollars (\$500,000), the institution shall secure
27 a surety bond in the amount of ten percent (10%) of that
28 institution's annual gross tuition charges assessed for the previous
29 year.

30 (5) If the postsecondary proprietary educational institution's
31 annual gross tuition charges assessed for the previous year are
32 more than five hundred thousand dollars (\$500,000), the
33 institution shall secure a surety bond in the amount of fifty
34 thousand dollars (\$50,000).

35 (b) When a postsecondary proprietary educational institution is
36 required to contribute to the fund and the fund has a balance on the
37 date that the surety bond is due of at least:

38 (1) one hundred thousand dollars (\$100,000), the commission
39 shall reduce the penal sum of the surety bond described in
40 subsection (a) by twenty percent (20%);

41 (2) two hundred thousand dollars (\$200,000), the commission
42 shall reduce the penal sum of the surety bond described in

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- 1 subsection (a) by forty percent (40%);
- 2 (3) three hundred thousand dollars (\$300,000), the commission
- 3 shall reduce the penal sum of the surety bond described in
- 4 subsection (a) by sixty percent (60%);
- 5 (4) four hundred thousand dollars (\$400,000), the commission
- 6 shall reduce the penal sum of the surety bond described in
- 7 subsection (a) by eighty percent (80%); or
- 8 (5) five hundred thousand dollars (\$500,000), the commission
- 9 shall reduce the penal sum of the surety bond described in
- 10 subsection (a) by one hundred percent (100%).

11 (c) Except as provided in:

- 12 (1) section ~~22~~ 21 of this chapter; and
- 13 (2) subsection (f);

14 and upon the fund achieving at least an initial five hundred thousand
15 dollar (\$500,000) balance, each postsecondary proprietary educational
16 institution that contributes to the fund when the initial quarterly
17 contribution as required under this chapter after the fund's
18 establishment is not required to make contributions to the fund or
19 submit a surety bond.

20 (d) The commission shall determine the number of quarterly
21 contributions required for the fund to initially accumulate five hundred
22 thousand dollars (\$500,000).

23 (e) Except as provided in section ~~22~~ 21 of this chapter and
24 subsection (f), postsecondary proprietary educational institutions that
25 begin making contributions to the fund after the initial quarterly
26 contribution as required under this chapter are:

- 27 (1) required to make contributions to the fund for the same
- 28 number of quarters as determined by the commission under
- 29 subsection (d); and
- 30 (2) after making the contributions to the fund as provided in
- 31 subdivision (1) for the required number of quarters, may not be
- 32 required to submit a surety bond.

33 (f) If after the fund acquires five hundred thousand dollars
34 (\$500,000) the balance in the fund becomes less than one hundred
35 thousand dollars (\$100,000), all postsecondary proprietary educational
36 institutions not required to make contributions to the fund as described
37 in subsection (c) or (e) shall make contributions to the fund for the
38 number of quarters necessary for the fund to accumulate five hundred
39 thousand dollars (\$500,000).

40 SECTION 19. IC 20-12-76-40, AS ADDED BY HEA 1288-2005,
41 SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
42 JULY 1, 2005]: Sec. 40. (a) Except as provided in subsection (b), a

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1 person who **knowingly, intentionally, or recklessly** violates this
 2 chapter commits a Class B misdemeanor.

3 (b) A person who, with intent to defraud, represents the person to be
 4 an agent of a postsecondary proprietary educational institution commits
 5 a Class C felony.

6 SECTION 20. IC 20-20-14-3 AS ADDED BY HEA 1288-2005,
 7 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 JULY 1, 2005]: Sec. 3. (a) The council shall advise the state
 9 superintendent and the governor on education related technology
 10 initiatives.

11 (b) The appointed membership of the council shall reflect its
 12 purposes and be experienced in technology generally. An appointed
 13 member of the council serves at the pleasure of the appointing
 14 authority. The council consists of the following sixteen (16) voting
 15 members:

16 (1) The state superintendent.

17 (2) The special assistant to the state superintendent of public
 18 instruction responsible for technology who is appointed under
 19 section 5 of this chapter.

20 (3) Four (4) individuals who represent private business appointed
 21 jointly by the state superintendent and the governor. Each
 22 member appointed under this subdivision must be experienced in
 23 development and use of information technology. A member
 24 appointed under this subdivision may not represent possible
 25 providers of technology or related services.

26 (4) Three (3) individuals who:

27 (A) manage educational environments, including higher
 28 education; and

29 (B) are experienced in their educational work with information
 30 technology;

31 are appointed jointly by the state superintendent and the governor.

32 (5) Three (3) individuals who are public school educators familiar
 33 with and experienced in the use of technology in educational
 34 settings appointed jointly by the state superintendent and the
 35 governor, with one (1) representing an urban school corporation,
 36 one (1) representing a suburban school corporation, and one (1)
 37 representing a rural school corporation.

38 (6) Four (4) members who are members of the general assembly
 39 and who are appointed as follows:

40 (A) Two (2) members of the house of representatives,
 41 appointed by the speaker of the house of representatives with
 42 not more than one (1) from a particular political party.

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1 (B) Two (2) members of the senate, appointed by the president
2 pro tempore of the senate with not more than one (1) from a
3 particular political party.

4 (c) The state superintendent shall designate the chair of the council
5 from the membership of the council.

6 (d) Nine (9) members of the council constitute a quorum to conduct
7 business. Action of the council is not valid unless approved by at least
8 ~~seven (7)~~ **nine (9)** voting members of the council.

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

16 (f) Each member of the council who is a state employee but who is
17 not a member of the general assembly is entitled to reimbursement for
18 traveling expenses as provided under IC 4-13-1-4 and other expenses
19 actually incurred in connection with the member's duties as provided
20 in the state policies and procedures established by the Indiana
21 department of administration and approved by the budget agency.

22 (g) Each member of the council who is a member of the general
23 assembly is entitled to receive the same per diem, mileage, and travel
24 allowances paid to members of the general assembly serving on interim
25 study committees established by the legislative council.

26 SECTION 21. IC 20-23-5-12, AS ADDED BY HEA 1288-2005,
27 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
28 JULY 1, 2005]: Sec. 12. (a) With respect to whether the disposition of
29 the assets and liabilities of the losing school corporation, allocation of
30 school tax receipts, and the amount to be paid by the acquiring school
31 corporation is equitable, the court, subject to subsection (b), shall be
32 satisfied that the annexing resolution conforms substantially to the
33 following standards:

34 (1) The acquiring school corporation shall assume a part of all
35 installments of principal and interest on any indebtedness of the
36 losing school corporation (other than current obligations or
37 temporary borrowing) that fall due after the end of the last
38 calendar year in which the losing school corporation is entitled to
39 receive current tax receipts from property tax levies on the
40 property of the annexed territory. The part consists of the
41 following:

42 (A) All installments relating to any indebtedness incurred in

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1 connection with the acquisition or construction of any building
 2 located in the annexed territory.
 3 (B) A proportion of all installments relating to any other
 4 indebtedness that is the same proportion as the valuation of the
 5 real property in the annexed territory bears to the valuation of
 6 all the real property in the losing school corporation, as the
 7 indebtedness is assessed for general taxation immediately
 8 before annexation.
 9 (2) The acquiring school corporation shall make the payments and
 10 assume the obligations provided for a school corporation
 11 acquiring territory or a building or buildings under IC 21-5-10.
 12 ~~(3) Unless the losing school corporation consents to some other~~
 13 ~~allocation, the part of the general fund money collected by the~~
 14 ~~losing school corporation may not be allocated to the acquiring~~
 15 ~~school corporation in a greater amount than would be awarded if~~
 16 ~~the losing school corporation and the acquiring school corporation~~
 17 ~~were respectively the "original school corporation" and the~~
 18 ~~"annexing school corporation" within the meaning of IC 20-23-16,~~
 19 ~~using the method provided in IC 20-23-16 for allocating the~~
 20 ~~special school and tuition fund money.~~
 21 (b) Standards under subsection (a) may not be applicable to the
 22 extent the losing school corporation and acquiring school corporation
 23 otherwise agree in a situation where all or a majority of the students in
 24 the annexed territory have been transferred from the losing school
 25 corporation to the acquiring school corporation for the five (5) school
 26 years immediately preceding the transfer. The agreement between
 27 school corporations may not prejudice the rights of bondholders or
 28 lessors whose rights against the losing school corporation and
 29 acquiring school corporation shall, upon enforcement, be allocated
 30 between the losing school corporation and acquiring school corporation
 31 in accordance with subsection (a)(1) and (a)(2).
 32 SECTION 22. IC 20-23-6-12, AS ADDED BY HEA 1288-2005,
 33 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 JULY 1, 2005]: Sec. 12. (a) This section provides an alternative
 35 method for a school corporation to be reorganized as a community
 36 school corporation.
 37 (b) The following may petition directly to the state board to be
 38 reorganized as a community school corporation:
 39 (1) A consolidated school corporation organized under section 3
 40 of this chapter.
 41 ~~(2) A county school corporation organized under IC 20-23-16-15.~~
 42 ~~(3)~~ (2) A metropolitan school district organized under

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1 IC 20-23-7-2 or IC 20-23-7-12.
 2 (c) The following apply to a school corporation that petitions
 3 directly to the state board under subsection (b):
 4 (1) The school corporation is not required to do the following:
 5 (A) Seek approval of a county committee established by
 6 IC 20-23-4-11.
 7 (B) Pursue a joint meeting of a county committee and the state
 8 board under IC 20-23-4-18.
 9 (2) The state board may waive the attainment of any standard
 10 required for reorganization as a community school corporation
 11 under this chapter.
 12 SECTION 23. IC 20-23-7-13, AS ADDED BY HEA 1288-2005,
 13 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 JULY 1, 2005]: Sec. 13. In the resolution creating a county school
 15 corporation or metropolitan school district or in the petitions requesting
 16 the creation of or requesting a referendum on the question of creating
 17 a corporation or district under ~~IC 20-23-16-15~~ or section 2 or 12 of this
 18 chapter, the resolutions or petitions may specify when a school
 19 corporation or school district shall be created and the corporation or
 20 district shall then be created at the time provided in the resolutions or
 21 petitions.
 22 SECTION 24. IC 20-23-9-6, AS ADDED BY HEA 1288-2005,
 23 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 JULY 1, 2005]: Sec. 6. (a) If the department of local government
 25 finance submits a petition to the school property tax control board
 26 under section 5 of this chapter, the school property tax control board
 27 shall hold a factfinding hearing.
 28 (b) At a hearing described in subsection (a), the school property tax
 29 control board shall determine the following:
 30 (1) Whether the township school has made all payments required
 31 by any statute, including the following:
 32 (A) P.L.32-1999.
 33 (B) IC 20-23-5-12. ~~and IC 20-23-16-37.~~
 34 (C) The resolution or plan of annexation of the township
 35 school, including:
 36 (i) any amendment to the resolution or plan;
 37 (ii) any supporting or related documents; and
 38 (iii) any agreement between the township school and an
 39 annexing corporation relating to the winding up of affairs of
 40 the township school.
 41 (2) The amount, if any, by which the township school is in arrears
 42 on any payment described in subdivision (1).

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1 (3) Whether the township school has filed with the department of
2 local government finance all reports concerning the affairs of the
3 township school, including all transfer tuition reports required for
4 the two (2) school years immediately preceding the date on which
5 the township school was annexed.

6 (c) In determining the amount of arrears under subsection (b)(2), the
7 school property tax control board shall consider all amounts due to an
8 annexing corporation, including the following:

- 9 (1) Any transfer tuition payments due to the annexing corporation.
- 10 (2) All levies, excise tax distributions, and state distributions
- 11 received by the township school and due to the annexing
- 12 corporation, including levies and distributions received by the
- 13 township school after the date on which the township school was
- 14 annexed.

15 (3) All excessive levies that the township school agreed to impose
16 and pay to an annexing corporation but failed to impose.

17 (d) If, in a hearing under this section, a school property tax control
18 board determines that a township school has:

- 19 (1) under subsection (b)(1), failed to make a required payment; or
- 20 (2) under subsection (b)(3), failed to file a required report;

21 the department may act under section 7 of this chapter.

22 SECTION 25. IC 20-23-16-2, AS ADDED BY HEA 1288-2005,
23 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
24 JULY 1, 2005]: Sec. 2. (a) Reorganization plans approved before
25 March 15, 1963, by the state board are void on March 15, 1963, except
26 with respect to any community school corporation where:

- 27 (1) any plan has received a majority affirmative vote at an
- 28 election;
- 29 (2) the plan has been certified by the clerk of the circuit court as
- 30 being petitioned in by fifty-five percent (55%) or more of the
- 31 registered voters for any such reorganized school corporation and
- 32 notice has been published by the county committee under sections
- 33 1 and 6 of this chapter and IC 20-23-4-11 through IC 20-23-4-17,
- 34 IC 20-23-4-20 through IC 20-23-4-23, IC 20-23-4-42, and
- 35 IC 20-23-4-43; or
- 36 (3) the plan provides for a school corporation meeting the
- 37 qualifications for formation of a community school corporation
- 38 under IC 20-23-4-16.

39 (b) The county committee and other government officials shall, with
40 respect to any such voided reorganization plan, take all actions
41 necessary for the preparation of a comprehensive plan as if a prior plan
42 had not been submitted, and within the time prescribed by ~~IC 20-23-4-5~~

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1 **IC 20-23-4-11** through ~~IC 20-23-4-10~~ **IC 20-23-4-17** and
2 IC 20-23-16-1.

3 SECTION 26. IC 20-23-16-3, AS ADDED BY HEA 1288-2005,
4 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2005]: Sec. 3. With respect to a proposed community school
6 corporation formed out of two (2) or more school corporations
7 operating a joint high school that has an enrollment of at least six
8 hundred (600) in grades 9 through 12 at the time of the adoption of a
9 preliminary plan adopted under ~~IC 20-23-4-5~~ **IC 20-23-4-11** through
10 ~~IC 20-23-4-10~~, **IC 20-23-4-17**, IC 20-23-16-1, and IC 20-23-16-2, the
11 preliminary plan or final plan adopted under ~~IC 20-23-4-5~~
12 **IC 20-23-4-11** through ~~IC 20-23-4-10~~, **IC 20-23-4-17**, IC 20-23-16-1,
13 and IC 20-23-16-2 may provide for a board of nine (9) members.

14 SECTION 27. IC 20-25-5-15, AS ADDED BY HEA 1288-2005,
15 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 JULY 1, 2005]: Sec. 15. With respect to whether the disposition of the
17 assets and liabilities of the losing school corporation is equitable, the
18 allocation of school tax receipts is equitable, and the amount to be paid
19 by the acquiring school corporation is equitable, a court must be
20 satisfied that the annexing resolution conforms substantially to the
21 following standards:

22 (1) Except for current obligations or temporary borrowing, the
23 acquiring school corporation shall assume a part of all
24 installments of principal and interest on the indebtedness of the
25 losing school corporation that is due after the end of the last
26 calendar year in which the losing school corporation is entitled to
27 receive current tax receipts from property tax levies on the
28 property in the annexed territory. The part assumed by the
29 acquiring school corporation consists of the following:

30 (A) All installments relating to any indebtedness incurred in
31 connection with the acquisition or construction of a building
32 located in the annexed territory.

33 (B) A proportion of all installments relating to any other
34 indebtedness that is in the same proportion as the valuation of
35 the real property in the annexed territory bears to the valuation
36 of all the real property in the losing school corporation.
37 Valuation under this clause is based upon the assessment for
38 general taxation immediately before annexation.

39 (2) The acquiring school corporation shall make the payments and
40 assume the obligations provided for a school corporation
41 acquiring:

42 (A) territory;

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1 (B) a building or buildings; or
 2 (C) both territory and a building or buildings;
 3 under IC 21-5-10.
 4 ~~(3) Unless the losing school corporation consents to another~~
 5 ~~allocation, the part of the special school and tuition fund money~~
 6 ~~collected by the losing school corporation shall not be allocated~~
 7 ~~in a greater amount to the acquiring school corporation than~~
 8 ~~would be awarded if the:~~
 9 (A) two ~~(2)~~ corporations were respectively the original school
 10 corporation and the annexing school corporation under
 11 IC 20-23-16; and
 12 ~~(B) amount to be paid to the losing corporation by the~~
 13 ~~acquiring school corporation based on the acquisition by the~~
 14 ~~acquiring school corporation of a building in the annexed~~
 15 ~~territory may not be less than would be awarded if the two (2)~~
 16 ~~school corporations were respectively the acquiring school~~
 17 ~~corporation and original school corporation under~~
 18 ~~IC 20-23-16.~~
 19 ~~(4) (3) If the annexed territory includes an entire losing school~~
 20 ~~corporation, the acquiring school corporation shall:~~
 21 (A) acquire all the property and assets of the losing school
 22 corporation without making any payments for the losing
 23 school corporation; and
 24 (B) assume all of the liabilities and obligations of the losing
 25 school corporation.
 26 SECTION 28. IC 20-25-10-3, AS ADDED BY HEA 1288-2005,
 27 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JULY 1, 2005]: Sec. 3. The board shall:
 29 (1) modify, develop, and publish the plan required under this
 30 chapter; and
 31 (2) implement the modified plan;
 32 in compliance with the timelines of IC 20-31-1, ~~IC 20-31-2,~~
 33 IC 20-31-5, IC 20-31-6, IC 20-31-7, IC 20-31-8, IC 20-31-9, and
 34 IC 20-31-10.
 35 SECTION 29. IC 20-25-10-5, AS ADDED BY HEA 1288-2005,
 36 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JULY 1, 2005]: Sec. 5. (a) The board shall annually assess and evaluate
 38 educational programs offered by the school city to determine:
 39 (1) the relationship of the programs to improved student
 40 achievement; and
 41 (2) the educational value of the programs in relation to cost.
 42 (b) The board may obtain information from:

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- 1 (1) educators in the schools offering a program;
 2 (2) students participating in a program; and
 3 (3) the parents of students participating in a program;
 4 in preparing an assessment and evaluation under this section. The
 5 assessment must include the performance of the school's students in
 6 achieving student performance improvement levels under IC 20-31-1,
 7 ~~IC 20-31-2~~, IC 20-31-5, IC 20-31-6, IC 20-31-7, IC 20-31-8,
 8 IC 20-31-9, IC 20-31-10, and IC 20-25-11.
- 9 SECTION 30. IC 20-25-11-1, AS ADDED BY HEA 1288-2005,
 10 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JULY 1, 2005]: Sec. 1. The board shall establish annual student
 12 performance improvement levels for each school that are not less
 13 rigorous than the student performance improvement levels under
 14 IC 20-31-1, ~~IC 20-31-2~~, IC 20-31-5, IC 20-31-6, IC 20-31-7,
 15 IC 20-31-8, IC 20-31-9, and IC 20-31-10, including the following:
- 16 (1) For students:
 17 (A) improvement in results on assessment tests and assessment
 18 programs;
 19 (B) improvement in attendance rates; and
 20 (C) improvement in progress toward graduation.
- 21 (2) For teachers:
 22 (A) improvement in student results on assessment tests and
 23 assessment programs;
 24 (B) improvement in the number and percentage of students
 25 achieving:
 26 (i) state achievement standards; and
 27 (ii) if applicable, performance levels set by the board;
 28 on assessment tests;
 29 (C) improvement in student progress toward graduation;
 30 (D) improvement in student attendance rates for the school
 31 year;
 32 (E) improvement in individual teacher attendance rates;
 33 (F) improvement in:
 34 (i) communication with parents; and
 35 (ii) parental involvement in classroom and extracurricular
 36 activities; and
 37 (G) other objectives developed by the board.
- 38 (3) For the school and school administrators:
 39 (A) improvement in student results on assessment tests, totaled
 40 by class and grade;
 41 (B) improvement in the number and percentage of students
 42 achieving:

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- 1 (i) state achievement standards; and
- 2 (ii) if applicable, performance levels set by the board;
- 3 on assessment tests, totaled by class and grade;
- 4 (C) improvement in:
 - 5 (i) student graduation rates; and
 - 6 (ii) progress toward graduation;
- 7 (D) improvement in student attendance rates;
- 8 (E) management of:
 - 9 (i) general fund expenditures; and
 - 10 (ii) total expenditures;
- 11 per student;
- 12 (F) improvement in teacher attendance rates; and
- 13 (G) other objectives developed by the board.

14 SECTION 31. IC 20-25-13-7, AS ADDED BY HEA 1288-2005,
 15 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JULY 1, 2005]: Sec. 7. IC 20-28-6-4 and IC 20-28-6-5 apply to
 17 certificated employees in the school city. A teacher's students'
 18 performance improvement levels under the assessment tests and
 19 programs of IC 20-31-1, ~~IC 20-31-2~~, IC 20-31-5, IC 20-31-6,
 20 IC 20-31-7, IC 20-31-8, IC 20-31-9, and IC 20-31-10 may be used as
 21 a factor, but not the only factor, to evaluate the performance of a
 22 teacher in the school city.

23 SECTION 32. IC 20-26-7-33, AS ADDED BY HEA 1288-2005,
 24 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 JULY 1, 2005]: Sec. 33. (a) The hearing described in section ~~32~~ 31 of
 26 this chapter may be adjourned from day to day.

27 (b) When the hearing has concluded, the board of county
 28 commissioners and county council, acting jointly, shall determine from:
 29 (1) the evidence submitted;
 30 (2) an inspection of the building; or
 31 (3) both the evidence and an inspection;
 32 if the building should be condemned.

33 (c) If the board of county commissioners and county council, acting
 34 jointly, determine that the building should be condemned, the board
 35 and council shall fix a date when the order of the board and council
 36 becomes effective. An appeal from the finding and determination of the
 37 board of county commissioners may be made to the circuit or superior
 38 court of the county in the same manner as appeals are taken from the
 39 board of county commissioners.

40 SECTION 33. IC 20-26-11-8, AS ADDED BY HEA 1288-2005,
 41 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 JULY 1, 2005]: Sec. 8. (a) A student who is placed in a state licensed

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1 private or public health care facility, child care facility, or foster family
2 home:

- 3 (1) by or with the consent of the division of family and children;
4 (2) by a court order; or
5 (3) by a child placing agency licensed by the division of family
6 and children;

7 may attend school in the school corporation in which the home or
8 facility is located. If the school corporation in which the home or
9 facility is located is not the school corporation in which the student has
10 legal settlement, the school corporation in which the student has legal
11 settlement shall pay the transfer tuition of the student.

12 (b) A student who is placed in a state licensed private or public
13 health care or child care facility by a parent may attend school in the
14 school corporation in which the facility is located if:

- 15 (1) the placement is necessary for the student's physical or
16 emotional health and well-being and, if the placement is in a
17 health care facility, is recommended by a physician; and
18 (2) the placement is projected to be for not less than fourteen (14)
19 consecutive calendar days or a total of twenty (20) calendar days.

20 The school corporation in which the student has legal settlement shall
21 pay the transfer tuition of the student. The parent of the student shall
22 notify the school corporation in which the facility is located and the
23 school corporation of the student's legal settlement, if identifiable, of
24 the placement. Not later than thirty (30) days after this notice, the
25 school corporation of legal settlement shall either pay the transfer
26 tuition of the transferred student or appeal the payment by notice to the
27 department. The acceptance or notice of appeal by the school
28 corporation must be given by certified mail to the parent or guardian of
29 the student and any affected school corporation. In the case of a student
30 who is not identified as disabled under IC 20-35, the state board shall
31 make a determination on transfer tuition according to the procedures
32 in section 15 of this chapter. In the case of a student who has been
33 identified as disabled under IC 20-35, the determination on transfer
34 tuition shall be made under this subsection and the procedures adopted
35 by the state board under ~~IC 20-35-2-1(c)(5)~~: **IC 20-35-2-1(b)(5)**.

36 (c) A student who is placed in:

- 37 (1) an institution operated by the division of disability, aging, and
38 rehabilitative services or the division of mental health and
39 addiction; or
40 (2) an institution, a public or private facility, a home, a group
41 home, or an alternative family setting by the division of disability,
42 aging, and rehabilitative services or the division of mental health

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1 and addiction;
2 may attend school in the school corporation in which the institution is
3 located. The state shall pay the transfer tuition of the student, unless
4 another entity is required to pay the transfer tuition as a result of a
5 placement described in subsection (a) or (b) or another state is
6 obligated to pay the transfer tuition.

7 SECTION 34. IC 20-26-12-15 AS ADDED BY HEA 1288-2005,
8 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 JULY 1, 2005]: Sec. 15. (a) A governing body shall requisition the
10 necessary textbooks from the contracting publishers approved by the
11 state board. The contracting publisher shall ship the textbooks to the
12 governing body not more than ninety (90) days after the requisition. On
13 receipt of the textbooks, the governing body's school corporation has
14 custody of the textbooks. The governing body shall provide a receipt
15 to the contracting publisher and reimburse the contracting publisher the
16 amount owed by the school corporation from the school corporation's
17 general fund.

18 (b) A governing body shall purchase textbooks:
19 (1) from a resident student who presents the textbooks for sale on
20 or before the beginning of the school term in which the books are
21 to be used;
22 (2) with money from the school corporation's general fund; and
23 (3) at a price based on the original price to the school corporation
24 minus a reasonable reduction for damage from usage.

25 (c) ~~The proper school authorities shall purchase any textbooks that~~
26 are to be used during any school year from any dealer:

27 (1) ~~whose business is located in the county in which the school~~
28 corporation is located; and
29 (2) ~~who was authorized to sell textbooks before March 1, 1935.~~

30 The purchase price may not exceed the price paid by the dealer to the
31 contracting publisher.

32 SECTION 35. IC 20-27-3-8, AS ADDED BY HEA 1288-2005,
33 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
34 JULY 1, 2005]: Sec. 8. A person who **knowingly, intentionally, or**
35 **recklessly** violates this chapter commits a Class C misdemeanor.

36 SECTION 36. IC 20-27-5-33, AS ADDED BY HEA 1288-2005,
37 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
38 JULY 1, 2005]: Sec. 33. A person who **knowingly, intentionally, or**
39 **recklessly** violates this chapter commits a Class C misdemeanor.

40 SECTION 37. IC 20-27-6-8, AS ADDED BY HEA 1288-2005,
41 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
42 JULY 1, 2005]: Sec. 8. A person who **knowingly, intentionally, or**

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1 **recklessly** violates this chapter commits a Class C misdemeanor.
2 SECTION 38. IC 20-27-7-19, AS ADDED BY HEA 1288-2005,
3 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2005]: Sec. 19. A person who **knowingly, intentionally, or**
5 **recklessly** violates this chapter commits a Class C misdemeanor.
6 SECTION 39. IC 20-27-8-16, AS ADDED BY HEA 1288-2005,
7 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8 JULY 1, 2005]: Sec. 16. A person who **knowingly, intentionally, or**
9 **recklessly** violates this chapter commits a Class C misdemeanor.
10 SECTION 40. IC 20-27-9-17, AS ADDED BY HEA 1288-2005,
11 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
12 JULY 1, 2005]: Sec. 17. Except as provided in this article, a person
13 who **knowingly, intentionally, or recklessly** violates this chapter
14 commits a Class C misdemeanor.
15 SECTION 41. IC 20-27-10-4, AS ADDED BY HEA 1288-2005,
16 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
17 JULY 1, 2005]: Sec. 4. A person who **knowingly, intentionally, or**
18 **recklessly** violates this chapter commits a Class C misdemeanor.
19 SECTION 42. IC 20-28-1-10, AS ADDED BY HEA 1288-2005,
20 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
21 JULY 1, 2005]: Sec. 10. "Managing body" refers to:
22 (1) the governing body;
23 (2) the board of managers (as defined in ~~IC 20-35-5-1(a)(3)~~;
24 **IC 20-35-5-1(3)**); or
25 (3) any other governing entity;
26 that has the responsibility for administering the school corporation's
27 special education program or a special education cooperative organized
28 under IC 20-35-5, IC 20-26-10, or IC 36-1-7.
29 SECTION 43. IC 20-33-2-32, AS ADDED BY HEA 1288-2005,
30 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
31 JULY 1, 2005]: Sec. 32. (a) In a county that has not been completely
32 reorganized under IC 20-23-4, the governing body of each school
33 corporation that constitutes a separate attendance district under section
34 ~~3~~ **30** of this chapter shall appoint an attendance officer. One (1)
35 additional attendance officer may be appointed for every seven
36 thousand five hundred (7,500) students in average daily attendance in
37 the corporation.
38 (b) Whenever the governing body of a school corporation makes an
39 appointment under this section, it shall appoint an individual
40 nominated by the superintendent. However, the governing body may
41 decline to appoint any nominee and require another nomination. The
42 salary of each attendance officer appointed under this section shall be

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1 fixed by the governing body. In addition to salary, the officer is entitled
 2 to receive reimbursement for actual expenses necessary to properly
 3 perform the officer's duties. The salary and expenses of an attendance
 4 officer appointed under this section shall be paid by the treasurer of the
 5 county in which the officer serves, on a warrant signed by the county
 6 auditor. The county council shall appropriate, and the board of county
 7 commissioners shall allow, the funds necessary to make these
 8 payments. However, a warrant shall not be issued to an attendance
 9 officer until the attendance officer has filed an itemized statement with
 10 the county auditor. This statement shall show the time employed and
 11 expenses incurred. The superintendent shall approve the statement and
 12 certify that it is correct.

13 SECTION 44. IC 20-33-8-33, AS ADDED BY HEA 1288-2005,
 14 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 JULY 1, 2005]: Sec. 33. Before February 1 and before October 1 of
 16 each year, except when a hearing has been requested to determine
 17 financial hardship under IC 9-24-2-1(a)(4), ~~the governing body of the~~
 18 ~~school corporation~~ **a principal** shall submit to the bureau of motor
 19 vehicles the pertinent information concerning an individual's
 20 ineligibility under IC 9-24-2-1 to be issued a driver's license or learner's
 21 permit, or concerning the invalidation of a license or permit under
 22 IC 9-24-2-4.

23 SECTION 45. IC 20-34-4-6, AS ADDED BY HEA 1288-2005,
 24 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 JULY 1, 2005]: Sec. 6. (a) Not later than sixty (60) days after the
 26 enrollment of students for the first time and when additional
 27 immunizations are required by statute or rule, each school shall file a
 28 written report with the state department of health and the local health
 29 department having jurisdiction. The report must include the following:

30 (1) A statement of the number of students who have demonstrated
 31 immunity against diphtheria, pertussis (whooping cough), tetanus,
 32 measles, rubella, poliomyelitis, mumps, and hepatitis B.

33 (2) A statement of the number of students who have not
 34 demonstrated immunity against the illnesses listed in subdivision
 35 (1).

36 (3) A statement of the number of students who have been found
 37 positive for sickle cell anemia or lead poisoning.

38 (b) The state department of health and the local health department
 39 shall, for good cause shown that there exists a substantial threat to the
 40 health and safety of a student or the school community, be able to
 41 validate immunization reports by onsite reviews or examinations of
 42 nonidentifying immunization record data. This section does not

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1 independently authorize the state department of health, a local
 2 department of health, or an agent of the state department of health or
 3 local department of health to have access to identifying medical or
 4 academic record data of individual students attending nonaccredited
 5 nonpublic schools.

6 (c) A **school shall file a** report ~~shall be filed~~ for each student who
 7 enrolls ~~subsequent to~~ **after** the filing of the report for students who
 8 enrolled at the beginning of the school year. The state department of
 9 health has exclusive power to adopt rules for the administration of this
 10 section.

11 SECTION 46. IC 20-35-4-10, AS ADDED BY HEA 1288-2005,
 12 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JULY 1, 2005]: Sec. 10. (a) For purposes of this section,
 14 "comprehensive plan" means a plan for educating the following:

- 15 (1) All children with disabilities that a school corporation is
 16 required to educate under sections 8 through 9 of this chapter.
 17 (2) The additional children with disabilities that the school
 18 corporation elects to educate.

19 (b) For purposes of this section, "school corporation" includes the
 20 following:

- 21 (1) The Indiana School for the Blind board.
 22 (2) The Indiana School for the Deaf board.

23 (c) The state board shall adopt rules under IC 4-22-2 detailing the
 24 contents of the comprehensive plan. Each school corporation shall
 25 complete and submit to the state superintendent a comprehensive plan.
 26 School corporations operating cooperative or joint special education
 27 services may submit a single comprehensive plan. In addition, if a
 28 school corporation enters into a contractual agreement as permitted
 29 under section 9 of this chapter, the school corporation shall collaborate
 30 with the service provider in formulating the comprehensive plan.

31 (d) Notwithstanding the age limits set out in ~~IC 20-35-1-1,~~
 32 **IC 20-35-1-2**, the state board may:

- 33 (1) conduct a program for the early identification of children with
 34 disabilities, between the ages of birth and less than twenty-two
 35 (22) years of age not served by the public schools or through a
 36 contractual agreement under section 9 of this chapter; and
 37 (2) use agencies that serve children with disabilities other than the
 38 public schools.

39 (e) The state board shall adopt rules under IC 4-22-2 requiring the:

- 40 (1) department of correction;
 41 (2) state department of health;
 42 (3) division of disability, aging, and rehabilitative services;

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1 (4) Indiana School for the Blind board;
 2 (5) Indiana School for the Deaf board; and
 3 (6) division of mental health and addiction;
 4 to submit to the state superintendent a plan for the provision of special
 5 education for children in programs administered by each respective
 6 agency who are entitled to a special education.

7 (f) The state superintendent shall furnish professional consultant
 8 services to school corporations and the entities listed in subsection (e)
 9 to aid them in fulfilling the requirements of this section.

10 SECTION 47. IC 20-35-5-15, AS ADDED BY HEA 1288-2005,
 11 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JULY 1, 2005]: Sec. 15. Meetings of the board of managers shall be
 13 held in accordance with ~~IC 20-26-4-2~~ **IC 20-26-4-3**.

14 SECTION 48. IC 20-35-8-2, AS ADDED BY HEA 1288-2005,
 15 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JULY 1, 2005]: Sec. 2. (a) The state board shall adopt rules under
 17 IC 4-22-2 to establish limits on the amount of transportation that may
 18 be provided in the student's individualized education program. Unless
 19 otherwise specially shown to be essential by the child's individualized
 20 education program, in case of residency in a public or private facility,
 21 these rules must limit the transportation required by the student's
 22 individualized education program to the following:

- 23 (1) The student's first entrance and final departure each school
- 24 year.
- 25 (2) Round trip transportation each school holiday period.
- 26 (3) Two (2) additional round trips each school year.

27 (b) If a student is a transfer student receiving special education in
 28 a public school, the state or school corporation responsible for the
 29 payment of transfer tuition under ~~IC 20-33-6-1~~ **IC 20-26-11-1** through
 30 ~~IC 20-33-6-4~~ **IC 20-26-11-4** shall pay the cost of transportation
 31 required by the student's individualized education program. However,
 32 if a transfer student was counted as an eligible student for purposes of
 33 a distribution in a calendar year under IC 21-3-3.1, the transportation
 34 costs that the transferee school may charge for a school year ending in
 35 the calendar year shall be reduced by the sum of the following:

- 36 (1) The quotient of:
 - 37 (A) the amount of money that the transferee school is eligible
 - 38 to receive under IC 21-3-3.1-2.1 for the calendar year in which
 - 39 the school year ends; divided by
 - 40 (B) the number of eligible students for the transferee school
 - 41 for the calendar year (as determined under IC 21-3-3.1-2.1).
- 42 (2) The amount of money that the transferee school is eligible to

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1 receive under IC 21-3-3.1-4 for the calendar year in which the
 2 school year ends for the transportation of the transfer student
 3 during the school year.

4 (c) If a student receives a special education:

5 (1) in a facility operated by:

6 (A) the state department of health;

7 (B) the division of disability, aging, and rehabilitative services;

8 or

9 (C) the division of mental health and addiction;

10 (2) at the Indiana School for the Blind; or

11 (3) at the Indiana School for the Deaf;

12 the school corporation in which the student has legal settlement shall
 13 pay the cost of transportation required by the student's individualized
 14 education program. However, if the student's legal settlement cannot
 15 be ascertained, the state board shall pay the cost of transportation
 16 required by the student's individualized education program.

17 (d) If a student is placed in a private facility under IC 20-35-6-2 in
 18 order to receive a special education because the student's school
 19 corporation cannot provide an appropriate special education program,
 20 the school corporation in which the student has legal settlement shall
 21 pay the cost of transportation required by the student's individualized
 22 education program. However, if the student's legal settlement cannot
 23 be ascertained, the state board shall pay the cost of transportation
 24 required by the student's individualized education program.

25 SECTION 49. IC 20-37-1-1, AS ADDED BY HEA 1288-2005,
 26 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 JULY 1, 2005]: Sec. 1. (a) Two (2) or more school corporations may
 28 cooperate to:

29 (1) establish; and

30 (2) maintain or supervise;

31 schools or departments for vocational education if the governing bodies
 32 of the school corporations agree to cooperate and apportion the cost of
 33 the schools or departments among the school corporations.

34 (b) If the cooperating school corporations agree to:

35 (1) establish; and

36 (2) maintain or supervise;

37 the schools or departments under subsection (a), the ~~heads~~ **designated**
 38 **representatives** of the school corporations ~~or their delegated~~
 39 ~~representatives~~ constitute a board for the management of the schools
 40 or departments. The board may adopt a plan of organization,
 41 administration, and support for the schools or departments. The plan,
 42 if approved by the state board, is a binding contract between the

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1 cooperating school corporations.

2 (c) The governing bodies of the cooperating school corporations

3 may cancel or annul the plan described in subsection (b) by the vote of

4 a majority of the governing bodies and upon the approval of the state

5 board. However, if a school corporation desires to withdraw a course

6 offering from the cooperative agreement after:

7 (1) attempting to withdraw the course offering under a withdrawal

8 procedure authorized by the school corporation's cooperative

9 agreement or bylaw; and

10 (2) being denied the authority to withdraw the course offering;

11 the school corporation may appeal the denial to the state board. In the

12 appeal, a school corporation must submit a proposal requesting the

13 withdrawal to the state board for approval.

14 (d) The proposal under subsection (c) must do the following:

15 (1) Describe how the school corporation intends to implement the

16 particular vocational education course.

17 (2) Include a provision that provides for at least a two (2) year

18 phaseout of the educational program or course offering from the

19 cooperative agreement.

20 Upon approval of the proposal by the state board, the school

21 corporation may proceed with the school corporation's withdrawal of

22 the course offering from the cooperative agreement and shall proceed

23 under the proposal.

24 (e) The withdrawal procedure under subsections (c) and (d) may not

25 be construed to permit a school corporation to change any other terms

26 of the plan described in subsection (b) except those terms that require

27 the school corporation to provide the particular course offering sought

28 to be withdrawn.

29 (f) The board described in subsection (b) may do the following:

30 (1) Enter into an agreement to acquire by lease or purchase:

31 (A) sites;

32 (B) buildings; or

33 (C) equipment;

34 that is suitable for these schools or departments. This authority

35 extends to the acquisition of facilities available under IC 21-5-11.

36 (2) By resolution adopted by a majority of the board, designate

37 three (3) or more individuals from the board's membership to

38 constitute an executive committee.

39 (g) To the extent provided in a resolution adopted under subsection

40 (f)(2), an executive committee shall do the following:

41 (1) Exercise the authority of the full board in the management of

42 the schools or departments.

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1 (2) Submit a written summary of its actions to the full board at
2 least semiannually.

3 SECTION 50. IC 33-33-53-5 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. In accordance with
5 rules adopted by the judges of the court under section 6 of this chapter,
6 the presiding judge shall do the following:

7 (1) Ensure that the court operates efficiently and judicially under
8 rules adopted by the court.

9 (2) Annually submit to the fiscal body of Monroe County a budget
10 for the court, including amounts necessary for:

- 11 (A) the operation of the circuit's probation department;
- 12 (B) the defense of indigents; and
- 13 (C) maintaining an adequate law library.

14 (3) Make the appointments or selections required of a circuit or
15 superior court judge under the following statutes:

- 16 IC 8-4-21-2
- 17 IC 11-12-2-2
- 18 IC 16-22-2-4
- 19 IC 16-22-2-11
- 20 IC 16-22-7
- 21 IC 20-4-1
- 22 IC 20-4-8
- 23 ~~IC 20-4-15-2~~
- 24 IC 20-5-20-4
- 25 IC 20-5-23-1
- 26 IC 20-14-10-10
- 27 IC 21-5-11-8
- 28 IC 21-5-12-8
- 29 IC 36-9
- 30 IC 36-10.

31 (4) Make appointments or selections required of a circuit or
32 superior court judge by any other statute, if the appointment or
33 selection is not required of the court because of an action before
34 the court.

35 SECTION 51. IC 36-1-14-1, AS AMENDED BY HEA 1288-2005,
36 SECTION 236, IS AMENDED TO READ AS FOLLOWS
37 [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) This section does not apply
38 to donations of proceeds from riverboat gaming to a public school
39 endowment corporation under ~~IC 20-26-5-19~~. **IC 20-26-5-21.**

40 (b) As used in this section, "riverboat gaming revenue" means tax
41 revenue received by a unit under IC 4-33-12-6, IC 4-33-13, or an
42 agreement to share a city's or county's part of the tax revenue.

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1 (c) Notwithstanding IC 8-1.5-2-6(d), a unit may donate the proceeds
2 from the sale of a utility or facility or from a grant, a gift, a donation,
3 an endowment, a bequest, a trust, or riverboat gaming revenue to a
4 foundation under the following conditions:

5 (1) The foundation is a charitable nonprofit community
6 foundation.

7 (2) The foundation retains all rights to the donation, including
8 investment powers.

9 (3) The foundation agrees to do the following:

10 (A) Hold the donation as a permanent endowment.

11 (B) Distribute the income from the donation only to the unit as
12 directed by resolution of the fiscal body of the unit.

13 (C) Return the donation to the general fund of the unit if the
14 foundation:

15 (i) loses the foundation's status as a public charitable
16 organization;

17 (ii) is liquidated; or

18 (iii) violates any condition of the endowment set by the
19 fiscal body of the unit.

20 SECTION 52. THE FOLLOWING ARE REPEALED [EFFECTIVE
21 JULY 1, 2005]: IC 20-4-1-14; IC 20-4-1-28; IC 20-4-1-35;
22 IC 20-4-1-36; IC 20-4-1-37; IC 20-4-1-38; IC 20-4-5-9; IC 20-4-5-10;
23 IC 20-4-5-11; IC 20-4-8-2; IC 20-4-8-3; IC 20-4-8-4; IC 20-4-8-5;
24 IC 20-4-8-6; IC 20-4-8-7; IC 20-4-8-8; IC 20-4-8-9; IC 20-4-8-10;
25 IC 20-4-8-11; IC 20-4-8-27; IC 20-4-15-1; IC 20-4-15-2; IC 20-4-15-3;
26 IC 20-4-15-4; IC 20-4-15-5; IC 20-4-15-6; IC 20-4-16-1; IC 20-4-16-2;
27 IC 20-4-16-3; IC 20-4-16-4; IC 20-4-16-5; IC 20-4-16-6;
28 IC 20-23-16-2; IC 20-23-16-6; IC 20-23-16-7; IC 20-23-16-8;
29 IC 20-23-16-9; IC 20-23-16-10; IC 20-23-16-12; IC 20-23-16-13;
30 IC 20-23-16-14; IC 20-23-16-15; IC 20-23-16-16; IC 20-23-16-17;
31 IC 20-23-16-18; IC 20-23-16-19; IC 20-23-16-20; IC 20-23-16-21;
32 IC 20-23-16-22; IC 20-23-16-23; IC 20-23-16-24; IC 20-23-16-28;
33 IC 20-23-16-29; IC 20-23-16-30; IC 20-23-16-31; IC 20-23-16-32;
34 IC 20-23-16-33; IC 20-23-16-34; IC 20-23-16-35; IC 20-23-16-36;
35 IC 20-23-16-37; IC 20-23-16-38; IC 20-23-16-39; IC 20-23-16-40.

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COMMITTEE REPORT

Madam President: The Senate Committee on Judiciary, to which was referred Senate Bill No. 397, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 9, between lines 25 and 26, begin a new paragraph and insert:

"SECTION 13. IC 20-10.1-25.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) The council shall advise the state superintendent and the governor on education related technology initiatives.

(b) The appointed membership of the council shall reflect its purposes and be experienced in technology generally. An appointed member of the council serves at the pleasure of the appointing authority. The council consists of the following sixteen (16) voting members:

- (1) The state superintendent of public instruction.
- (2) The special assistant to the state superintendent of public instruction responsible for technology who is appointed under section 5 of this chapter.
- (3) Four (4) individuals who represent private business appointed jointly by the state superintendent and the governor. Each member appointed under this subdivision must be experienced in development and utilization of information technology. None of the members appointed under this subdivision may represent possible providers of technology or related services.
- (4) Three (3) individuals who:
 - (A) manage educational environments, including higher education; and
 - (B) are experienced in their educational work with information technology;
 are appointed jointly by the state superintendent and the governor.
- (5) Three (3) individuals who are public school educators familiar with and experienced in the use of technology in educational settings appointed jointly by the state superintendent and the governor, with one (1) representing an urban school corporation, one (1) representing a suburban school corporation, and one (1) representing a rural school corporation.
- (6) Four (4) members who are members of the general assembly and who are appointed as follows:
 - (A) Two (2) members of the house of representatives, appointed by the speaker of the house of representatives with not more than one (1) from a particular political party.

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(B) Two (2) members of the senate, appointed by the president pro tempore of the senate with not more than one (1) from a particular political party.

(c) The state superintendent shall designate the chair of the council from the membership of the council.

(d) Nine (9) members of the council constitute a quorum to conduct business. No action of the council is valid unless approved by at least ~~seven (7)~~ **nine (9)** voting members of the council.

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

(f) Each member of the council who is a state employee but who is not a member of the general assembly is entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(g) Each member of the council who is a member of the general assembly is entitled to receive the same per diem, mileage, and travel allowances paid to members of the general assembly serving on interim study committees established by the legislative council."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 397 as introduced.)

BRAY, Chairperson

Committee Vote: Yeas 11, Nays 0.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred Senate Bill 397, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-18.5-10.3, AS AMENDED BY P.L.2-2005, SECTION 88, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10.3. (a) The ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed by a library board for a capital projects fund under ~~IC 36-12-3~~ **IC 36-12-12**. However, the maximum amount that is exempt from the levy limits under this section may not exceed the property taxes that would be raised in the ensuing calendar year with a property tax rate of one and thirty-three hundredths cents (\$0.0133) per one hundred dollars (\$100) of assessed valuation.

(b) For purposes of computing the ad valorem property tax levy limit imposed on a library board under section 3 of this chapter, the library board's ad valorem property tax levy for a particular calendar year does not include that part of the levy imposed under ~~IC 36-12-3~~ **IC 36-12-12** that is exempt from the ad valorem property tax levy limits under subsection (a).

SECTION 2. IC 9-21-5-13, AS AMENDED BY HEA 1288-2005, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13. (a) Except as provided in subsections (b) and (c), a person who violates this chapter commits a Class C infraction.

(b) A person who exceeds a speed limit that is:

(1) established under section 6 of this chapter and imposed only in the immediate vicinity of a school when children are present; or

(2) established under section 11 of this chapter and imposed only in the immediate vicinity of a worksite when workers are present;

commits a Class B infraction.

(c) A person who while operating a school bus **knowingly, intentionally, or recklessly** exceeds a speed limit set forth in section 14 of this chapter commits a Class C misdemeanor.

SECTION 3. IC 9-21-12-11, AS AMENDED BY HEA 1288-2005, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 11. (a) A person who violates section 5, 6, or 7 of this chapter commits a Class C infraction.

(b) A person who **knowingly, intentionally, or recklessly** violates

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section 12, 13, 14, 15, 16, or 17 of this chapter commits a Class C misdemeanor.

SECTION 4. IC 10-13-3-21, AS AMENDED BY HEA 1288-2005, SECTION 116, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 21. As used in this chapter, "special education cooperative" has the meaning set forth in ~~IC 20-35-5-1(a)(7)~~: **IC 20-35-5-1(7)**."

Page 11, between lines 2 and 3, begin a new paragraph and insert:
"SECTION 18. IC 20-12-76-18, AS ADDED BY HEA 1288-2005, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 18. (a) Subject to subsections (b), (c), (e), and (f), the commission shall determine the penal sum of each surety bond based upon the following guidelines:

- (1) A postsecondary proprietary educational institution that has no annual gross tuition charges assessed for the previous year shall secure a surety bond in the amount of five thousand dollars (\$5,000).
- (2) If the postsecondary proprietary educational institution's annual gross tuition charges assessed for the previous year are not more than five thousand dollars (\$5,000), the institution shall secure a surety bond in the amount of one hundred percent (100%) of that institution's annual gross tuition charges assessed for the previous year.
- (3) If the postsecondary proprietary educational institution's annual gross tuition charges assessed for the previous year are more than five thousand dollars (\$5,000) but less than fifty thousand dollars (\$50,000), the institution shall secure a surety bond in the amount of five thousand dollars (\$5,000).
- (4) If the postsecondary proprietary educational institution's annual gross tuition charges assessed for the previous year are more than fifty thousand dollars (\$50,000) but less than five hundred thousand dollars (\$500,000), the institution shall secure a surety bond in the amount of ten percent (10%) of that institution's annual gross tuition charges assessed for the previous year.
- (5) If the postsecondary proprietary educational institution's annual gross tuition charges assessed for the previous year are more than five hundred thousand dollars (\$500,000), the institution shall secure a surety bond in the amount of fifty thousand dollars (\$50,000).

(b) When a postsecondary proprietary educational institution is required to contribute to the fund and the fund has a balance on the

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date that the surety bond is due of at least:

- (1) one hundred thousand dollars (\$100,000), the commission shall reduce the penal sum of the surety bond described in subsection (a) by twenty percent (20%);
- (2) two hundred thousand dollars (\$200,000), the commission shall reduce the penal sum of the surety bond described in subsection (a) by forty percent (40%);
- (3) three hundred thousand dollars (\$300,000), the commission shall reduce the penal sum of the surety bond described in subsection (a) by sixty percent (60%);
- (4) four hundred thousand dollars (\$400,000), the commission shall reduce the penal sum of the surety bond described in subsection (a) by eighty percent (80%); or
- (5) five hundred thousand dollars (\$500,000), the commission shall reduce the penal sum of the surety bond described in subsection (a) by one hundred percent (100%).

(c) Except as provided in:

- (1) section ~~22~~ **21** of this chapter; and
- (2) subsection (f);

and upon the fund achieving at least an initial five hundred thousand dollar (\$500,000) balance, each postsecondary proprietary educational institution that contributes to the fund when the initial quarterly contribution as required under this chapter after the fund's establishment is not required to make contributions to the fund or submit a surety bond.

(d) The commission shall determine the number of quarterly contributions required for the fund to initially accumulate five hundred thousand dollars (\$500,000).

(e) Except as provided in section ~~22~~ **21** of this chapter and subsection (f), postsecondary proprietary educational institutions that begin making contributions to the fund after the initial quarterly contribution as required under this chapter are:

- (1) required to make contributions to the fund for the same number of quarters as determined by the commission under subsection (d); and
- (2) after making the contributions to the fund as provided in subdivision (1) for the required number of quarters, may not be required to submit a surety bond.

(f) If after the fund acquires five hundred thousand dollars (\$500,000) the balance in the fund becomes less than one hundred thousand dollars (\$100,000), all postsecondary proprietary educational institutions not required to make contributions to the fund as described

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in subsection (c) or (e) shall make contributions to the fund for the number of quarters necessary for the fund to accumulate five hundred thousand dollars (\$500,000).

SECTION 19. IC 20-12-76-40, AS ADDED BY HEA 1288-2005, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 40. (a) Except as provided in subsection (b), a person who **knowingly, intentionally, or recklessly** violates this chapter commits a Class B misdemeanor.

(b) A person who, with intent to defraud, represents the person to be an agent of a postsecondary proprietary educational institution commits a Class C felony.

SECTION 20. IC 20-20-14-3 AS ADDED BY HEA 1288-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) The council shall advise the state superintendent and the governor on education related technology initiatives.

(b) The appointed membership of the council shall reflect its purposes and be experienced in technology generally. An appointed member of the council serves at the pleasure of the appointing authority. The council consists of the following sixteen (16) voting members:

- (1) The state superintendent.
- (2) The special assistant to the state superintendent of public instruction responsible for technology who is appointed under section 5 of this chapter.
- (3) Four (4) individuals who represent private business appointed jointly by the state superintendent and the governor. Each member appointed under this subdivision must be experienced in development and use of information technology. A member appointed under this subdivision may not represent possible providers of technology or related services.
- (4) Three (3) individuals who:
 - (A) manage educational environments, including higher education; and
 - (B) are experienced in their educational work with information technology;
 are appointed jointly by the state superintendent and the governor.
- (5) Three (3) individuals who are public school educators familiar with and experienced in the use of technology in educational settings appointed jointly by the state superintendent and the governor, with one (1) representing an urban school corporation, one (1) representing a suburban school corporation, and one (1)

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representing a rural school corporation.

(6) Four (4) members who are members of the general assembly and who are appointed as follows:

(A) Two (2) members of the house of representatives, appointed by the speaker of the house of representatives with not more than one (1) from a particular political party.

(B) Two (2) members of the senate, appointed by the president pro tempore of the senate with not more than one (1) from a particular political party.

(c) The state superintendent shall designate the chair of the council from the membership of the council.

(d) Nine (9) members of the council constitute a quorum to conduct business. Action of the council is not valid unless approved by at least ~~seven (7)~~ **nine (9)** voting members of the council.

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

(f) Each member of the council who is a state employee but who is not a member of the general assembly is entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(g) Each member of the council who is a member of the general assembly is entitled to receive the same per diem, mileage, and travel allowances paid to members of the general assembly serving on interim study committees established by the legislative council.

SECTION 21. IC 20-23-5-12, AS ADDED BY HEA 1288-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 12. (a) With respect to whether the disposition of the assets and liabilities of the losing school corporation, allocation of school tax receipts, and the amount to be paid by the acquiring school corporation is equitable, the court, subject to subsection (b), shall be satisfied that the annexing resolution conforms substantially to the following standards:

(1) The acquiring school corporation shall assume a part of all installments of principal and interest on any indebtedness of the losing school corporation (other than current obligations or

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temporary borrowing) that fall due after the end of the last calendar year in which the losing school corporation is entitled to receive current tax receipts from property tax levies on the property of the annexed territory. The part consists of the following:

(A) All installments relating to any indebtedness incurred in connection with the acquisition or construction of any building located in the annexed territory.

(B) A proportion of all installments relating to any other indebtedness that is the same proportion as the valuation of the real property in the annexed territory bears to the valuation of all the real property in the losing school corporation, as the indebtedness is assessed for general taxation immediately before annexation.

(2) The acquiring school corporation shall make the payments and assume the obligations provided for a school corporation acquiring territory or a building or buildings under IC 21-5-10.

~~(3) Unless the losing school corporation consents to some other allocation, the part of the general fund money collected by the losing school corporation may not be allocated to the acquiring school corporation in a greater amount than would be awarded if the losing school corporation and the acquiring school corporation were respectively the "original school corporation" and the "annexing school corporation" within the meaning of IC 20-23-16; using the method provided in IC 20-23-16 for allocating the special school and tuition fund money.~~

(b) Standards under subsection (a) may not be applicable to the extent the losing school corporation and acquiring school corporation otherwise agree in a situation where all or a majority of the students in the annexed territory have been transferred from the losing school corporation to the acquiring school corporation for the five (5) school years immediately preceding the transfer. The agreement between school corporations may not prejudice the rights of bondholders or lessors whose rights against the losing school corporation and acquiring school corporation shall, upon enforcement, be allocated between the losing school corporation and acquiring school corporation in accordance with subsection (a)(1) and (a)(2).

SECTION 22. IC 20-23-6-12, AS ADDED BY HEA 1288-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 12. (a) This section provides an alternative method for a school corporation to be reorganized as a community school corporation.

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(b) The following may petition directly to the state board to be reorganized as a community school corporation:

(1) A consolidated school corporation organized under section 3 of this chapter.

~~(2) A county school corporation organized under IC 20-23-16-15.~~

~~(3)~~ **(2)** A metropolitan school district organized under IC 20-23-7-2 or IC 20-23-7-12.

(c) The following apply to a school corporation that petitions directly to the state board under subsection (b):

(1) The school corporation is not required to do the following:

(A) Seek approval of a county committee established by IC 20-23-4-11.

(B) Pursue a joint meeting of a county committee and the state board under IC 20-23-4-18.

(2) The state board may waive the attainment of any standard required for reorganization as a community school corporation under this chapter.

SECTION 23. IC 20-23-7-13, AS ADDED BY HEA 1288-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13. In the resolution creating a county school corporation or metropolitan school district or in the petitions requesting the creation of or requesting a referendum on the question of creating a corporation or district under ~~IC 20-23-16-15~~ or section 2 or 12 of this chapter, the resolutions or petitions may specify when a school corporation or school district shall be created and the corporation or district shall then be created at the time provided in the resolutions or petitions.

SECTION 24. IC 20-23-9-6, AS ADDED BY HEA 1288-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. (a) If the department of local government finance submits a petition to the school property tax control board under section 5 of this chapter, the school property tax control board shall hold a factfinding hearing.

(b) At a hearing described in subsection (a), the school property tax control board shall determine the following:

(1) Whether the township school has made all payments required by any statute, including the following:

(A) P.L.32-1999.

(B) IC 20-23-5-12. ~~and IC 20-23-16-37.~~

(C) The resolution or plan of annexation of the township school, including:

(i) any amendment to the resolution or plan;

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- (ii) any supporting or related documents; and
- (iii) any agreement between the township school and an annexing corporation relating to the winding up of affairs of the township school.

(2) The amount, if any, by which the township school is in arrears on any payment described in subdivision (1).

(3) Whether the township school has filed with the department of local government finance all reports concerning the affairs of the township school, including all transfer tuition reports required for the two (2) school years immediately preceding the date on which the township school was annexed.

(c) In determining the amount of arrears under subsection (b)(2), the school property tax control board shall consider all amounts due to an annexing corporation, including the following:

(1) Any transfer tuition payments due to the annexing corporation.

(2) All levies, excise tax distributions, and state distributions received by the township school and due to the annexing corporation, including levies and distributions received by the township school after the date on which the township school was annexed.

(3) All excessive levies that the township school agreed to impose and pay to an annexing corporation but failed to impose.

(d) If, in a hearing under this section, a school property tax control board determines that a township school has:

(1) under subsection (b)(1), failed to make a required payment; or

(2) under subsection (b)(3), failed to file a required report;

the department may act under section 7 of this chapter.

SECTION 25. IC 20-23-16-2, AS ADDED BY HEA 1288-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) Reorganization plans approved before March 15, 1963, by the state board are void on March 15, 1963, except with respect to any community school corporation where:

(1) any plan has received a majority affirmative vote at an election;

(2) the plan has been certified by the clerk of the circuit court as being petitioned in by fifty-five percent (55%) or more of the registered voters for any such reorganized school corporation and notice has been published by the county committee under sections 1 and 6 of this chapter and IC 20-23-4-11 through IC 20-23-4-17, IC 20-23-4-20 through IC 20-23-4-23, IC 20-23-4-42, and IC 20-23-4-43; or

(3) the plan provides for a school corporation meeting the

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qualifications for formation of a community school corporation under IC 20-23-4-16.

(b) The county committee and other government officials shall, with respect to any such voided reorganization plan, take all actions necessary for the preparation of a comprehensive plan as if a prior plan had not been submitted, and within the time prescribed by ~~IC 20-23-4-5~~ **IC 20-23-4-11** through ~~IC 20-23-4-10~~ **IC 20-23-4-17** and IC 20-23-16-1.

SECTION 26. IC 20-23-16-3, AS ADDED BY HEA 1288-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. With respect to a proposed community school corporation formed out of two (2) or more school corporations operating a joint high school that has an enrollment of at least six hundred (600) in grades 9 through 12 at the time of the adoption of a preliminary plan adopted under ~~IC 20-23-4-5~~ **IC 20-23-4-11** through ~~IC 20-23-4-10~~, **IC 20-23-4-17**, IC 20-23-16-1, and IC 20-23-16-2, the preliminary plan or final plan adopted under ~~IC 20-23-4-5~~ **IC 20-23-4-11** through ~~IC 20-23-4-10~~, **IC 20-23-4-17**, IC 20-23-16-1, and IC 20-23-16-2 may provide for a board of nine (9) members.

SECTION 27. IC 20-25-5-15, AS ADDED BY HEA 1288-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 15. With respect to whether the disposition of the assets and liabilities of the losing school corporation is equitable, the allocation of school tax receipts is equitable, and the amount to be paid by the acquiring school corporation is equitable, a court must be satisfied that the annexing resolution conforms substantially to the following standards:

(1) Except for current obligations or temporary borrowing, the acquiring school corporation shall assume a part of all installments of principal and interest on the indebtedness of the losing school corporation that is due after the end of the last calendar year in which the losing school corporation is entitled to receive current tax receipts from property tax levies on the property in the annexed territory. The part assumed by the acquiring school corporation consists of the following:

(A) All installments relating to any indebtedness incurred in connection with the acquisition or construction of a building located in the annexed territory.

(B) A proportion of all installments relating to any other indebtedness that is in the same proportion as the valuation of the real property in the annexed territory bears to the valuation of all the real property in the losing school corporation.

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Valuation under this clause is based upon the assessment for general taxation immediately before annexation.

(2) The acquiring school corporation shall make the payments and assume the obligations provided for a school corporation acquiring:

- (A) territory;
- (B) a building or buildings; or
- (C) both territory and a building or buildings;

under IC 21-5-10.

~~(3) Unless the losing school corporation consents to another allocation, the part of the special school and tuition fund money collected by the losing school corporation shall not be allocated in a greater amount to the acquiring school corporation than would be awarded if the:~~

~~(A) two (2) corporations were respectively the original school corporation and the annexing school corporation under IC 20-23-16; and~~

~~(B) amount to be paid to the losing corporation by the acquiring school corporation based on the acquisition by the acquiring school corporation of a building in the annexed territory may not be less than would be awarded if the two (2) school corporations were respectively the acquiring school corporation and original school corporation under IC 20-23-16.~~

~~(4) (3) If the annexed territory includes an entire losing school corporation, the acquiring school corporation shall:~~

- ~~(A) acquire all the property and assets of the losing school corporation without making any payments for the losing school corporation; and~~
- ~~(B) assume all of the liabilities and obligations of the losing school corporation.~~

SECTION 28. IC 20-25-10-3, AS ADDED BY HEA 1288-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. The board shall:

- (1) modify, develop, and publish the plan required under this chapter; and
- (2) implement the modified plan;

in compliance with the timelines of IC 20-31-1, ~~IC 20-31-2~~, IC 20-31-5, IC 20-31-6, IC 20-31-7, IC 20-31-8, IC 20-31-9, and IC 20-31-10.

SECTION 29. IC 20-25-10-5, AS ADDED BY HEA 1288-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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JULY 1, 2005]: Sec. 5. (a) The board shall annually assess and evaluate educational programs offered by the school city to determine:

- (1) the relationship of the programs to improved student achievement; and
- (2) the educational value of the programs in relation to cost.

(b) The board may obtain information from:

- (1) educators in the schools offering a program;
- (2) students participating in a program; and
- (3) the parents of students participating in a program;

in preparing an assessment and evaluation under this section. The assessment must include the performance of the school's students in achieving student performance improvement levels under IC 20-31-1, ~~IC 20-31-2~~, IC 20-31-5, IC 20-31-6, IC 20-31-7, IC 20-31-8, IC 20-31-9, IC 20-31-10, and IC 20-25-11.

SECTION 30. IC 20-25-11-1, AS ADDED BY HEA 1288-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. The board shall establish annual student performance improvement levels for each school that are not less rigorous than the student performance improvement levels under IC 20-31-1, ~~IC 20-31-2~~, IC 20-31-5, IC 20-31-6, IC 20-31-7, IC 20-31-8, IC 20-31-9, and IC 20-31-10, including the following:

(1) For students:

- (A) improvement in results on assessment tests and assessment programs;
- (B) improvement in attendance rates; and
- (C) improvement in progress toward graduation.

(2) For teachers:

- (A) improvement in student results on assessment tests and assessment programs;
- (B) improvement in the number and percentage of students achieving:
 - (i) state achievement standards; and
 - (ii) if applicable, performance levels set by the board;
 on assessment tests;
- (C) improvement in student progress toward graduation;
- (D) improvement in student attendance rates for the school year;
- (E) improvement in individual teacher attendance rates;
- (F) improvement in:
 - (i) communication with parents; and
 - (ii) parental involvement in classroom and extracurricular activities; and

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- (G) other objectives developed by the board.
- (3) For the school and school administrators:
 - (A) improvement in student results on assessment tests, totaled by class and grade;
 - (B) improvement in the number and percentage of students achieving:
 - (i) state achievement standards; and
 - (ii) if applicable, performance levels set by the board;
 - on assessment tests, totaled by class and grade;
 - (C) improvement in:
 - (i) student graduation rates; and
 - (ii) progress toward graduation;
 - (D) improvement in student attendance rates;
 - (E) management of:
 - (i) general fund expenditures; and
 - (ii) total expenditures;
 - per student;
 - (F) improvement in teacher attendance rates; and
 - (G) other objectives developed by the board.

SECTION 31. IC 20-25-13-7, AS ADDED BY HEA 1288-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. IC 20-28-6-4 and IC 20-28-6-5 apply to certificated employees in the school city. A teacher's students' performance improvement levels under the assessment tests and programs of IC 20-31-1, ~~IC 20-31-2~~, IC 20-31-5, IC 20-31-6, IC 20-31-7, IC 20-31-8, IC 20-31-9, and IC 20-31-10 may be used as a factor, but not the only factor, to evaluate the performance of a teacher in the school city.

SECTION 32. IC 20-26-7-33, AS ADDED BY HEA 1288-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 33. (a) The hearing described in section ~~32~~ 31 of this chapter may be adjourned from day to day.

(b) When the hearing has concluded, the board of county commissioners and county council, acting jointly, shall determine from:

- (1) the evidence submitted;
- (2) an inspection of the building; or
- (3) both the evidence and an inspection;

if the building should be condemned.

(c) If the board of county commissioners and county council, acting jointly, determine that the building should be condemned, the board and council shall fix a date when the order of the board and council becomes effective. An appeal from the finding and determination of the

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board of county commissioners may be made to the circuit or superior court of the county in the same manner as appeals are taken from the board of county commissioners.

SECTION 33. IC 20-26-11-8, AS ADDED BY HEA 1288-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. (a) A student who is placed in a state licensed private or public health care facility, child care facility, or foster family home:

- (1) by or with the consent of the division of family and children;
- (2) by a court order; or
- (3) by a child placing agency licensed by the division of family and children;

may attend school in the school corporation in which the home or facility is located. If the school corporation in which the home or facility is located is not the school corporation in which the student has legal settlement, the school corporation in which the student has legal settlement shall pay the transfer tuition of the student.

(b) A student who is placed in a state licensed private or public health care or child care facility by a parent may attend school in the school corporation in which the facility is located if:

- (1) the placement is necessary for the student's physical or emotional health and well-being and, if the placement is in a health care facility, is recommended by a physician; and
- (2) the placement is projected to be for not less than fourteen (14) consecutive calendar days or a total of twenty (20) calendar days.

The school corporation in which the student has legal settlement shall pay the transfer tuition of the student. The parent of the student shall notify the school corporation in which the facility is located and the school corporation of the student's legal settlement, if identifiable, of the placement. Not later than thirty (30) days after this notice, the school corporation of legal settlement shall either pay the transfer tuition of the transferred student or appeal the payment by notice to the department. The acceptance or notice of appeal by the school corporation must be given by certified mail to the parent or guardian of the student and any affected school corporation. In the case of a student who is not identified as disabled under IC 20-35, the state board shall make a determination on transfer tuition according to the procedures in section 15 of this chapter. In the case of a student who has been identified as disabled under IC 20-35, the determination on transfer tuition shall be made under this subsection and the procedures adopted by the state board under ~~IC 20-35-2-1(c)(5)~~; **IC 20-35-2-1(b)(5)**.

(c) A student who is placed in:

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(1) an institution operated by the division of disability, aging, and rehabilitative services or the division of mental health and addiction; or

(2) an institution, a public or private facility, a home, a group home, or an alternative family setting by the division of disability, aging, and rehabilitative services or the division of mental health and addiction;

may attend school in the school corporation in which the institution is located. The state shall pay the transfer tuition of the student, unless another entity is required to pay the transfer tuition as a result of a placement described in subsection (a) or (b) or another state is obligated to pay the transfer tuition.

SECTION 34. IC 20-26-12-15 AS ADDED BY HEA 1288-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 15. (a) A governing body shall requisition the necessary textbooks from the contracting publishers approved by the state board. The contracting publisher shall ship the textbooks to the governing body not more than ninety (90) days after the requisition. On receipt of the textbooks, the governing body's school corporation has custody of the textbooks. 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:

(1) from a resident student who presents the textbooks for sale on or before the beginning of the school term in which the books 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.

~~(c) The proper school authorities shall purchase any textbooks that are to be used during any school year from any dealer:~~

~~(1) whose business is located in the county in which the school corporation is located; and~~

~~(2) who was authorized to sell textbooks before March 1, 1935.~~

~~The purchase price may not exceed the price paid by the dealer to the contracting publisher.~~

SECTION 35. IC 20-27-3-8, AS ADDED BY HEA 1288-2005, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. A person who **knowingly, intentionally, or recklessly** violates this chapter commits a Class C misdemeanor.

SECTION 36. IC 20-27-5-33, AS ADDED BY HEA 1288-2005,

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SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 33. A person who **knowingly, intentionally, or recklessly** violates this chapter commits a Class C misdemeanor.

SECTION 37. IC 20-27-6-8, AS ADDED BY HEA 1288-2005, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. A person who **knowingly, intentionally, or recklessly** violates this chapter commits a Class C misdemeanor.

SECTION 38. IC 20-27-7-19, AS ADDED BY HEA 1288-2005, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 19. A person who **knowingly, intentionally, or recklessly** violates this chapter commits a Class C misdemeanor.

SECTION 39. IC 20-27-8-16, AS ADDED BY HEA 1288-2005, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 16. A person who **knowingly, intentionally, or recklessly** violates this chapter commits a Class C misdemeanor.

SECTION 40. IC 20-27-9-17, AS ADDED BY HEA 1288-2005, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 17. Except as provided in this article, a person who **knowingly, intentionally, or recklessly** violates this chapter commits a Class C misdemeanor.

SECTION 41. IC 20-27-10-4, AS ADDED BY HEA 1288-2005, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. A person who **knowingly, intentionally, or recklessly** violates this chapter commits a Class C misdemeanor.

SECTION 42. IC 20-28-1-10, AS ADDED BY HEA 1288-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. "Managing body" refers to:

- (1) the governing body;
- (2) the board of managers (as defined in ~~IC 20-35-5-1(a)(3)~~; **IC 20-35-5-1(3)**); or
- (3) any other governing entity;

that has the responsibility for administering the school corporation's special education program or a special education cooperative organized under IC 20-35-5, IC 20-26-10, or IC 36-1-7.

SECTION 43. IC 20-33-2-32, AS ADDED BY HEA 1288-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 32. (a) In a county that has not been completely reorganized under IC 20-23-4, the governing body of each school corporation that constitutes a separate attendance district under section ~~3~~ **30** of this chapter shall appoint an attendance officer. One (1) additional attendance officer may be appointed for every seven thousand five hundred (7,500) students in average daily attendance in

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the corporation.

(b) Whenever the governing body of a school corporation makes an appointment under this section, it shall appoint an individual nominated by the superintendent. However, the governing body may decline to appoint any nominee and require another nomination. The salary of each attendance officer appointed under this section shall be fixed by the governing body. In addition to salary, the officer is entitled to receive reimbursement for actual expenses necessary to properly perform the officer's duties. The salary and expenses of an attendance officer appointed under this section shall be paid by the treasurer of the county in which the officer serves, on a warrant signed by the county auditor. The county council shall appropriate, and the board of county commissioners shall allow, the funds necessary to make these payments. However, a warrant shall not be issued to an attendance officer until the attendance officer has filed an itemized statement with the county auditor. This statement shall show the time employed and expenses incurred. The superintendent shall approve the statement and certify that it is correct.

SECTION 44. IC 20-33-8-33, AS ADDED BY HEA 1288-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 33. Before February 1 and before October 1 of each year, except when a hearing has been requested to determine financial hardship under IC 9-24-2-1(a)(4), ~~the governing body of the school corporation~~ **a principal** shall submit to the bureau of motor vehicles the pertinent information concerning an individual's ineligibility under IC 9-24-2-1 to be issued a driver's license or learner's permit, or concerning the invalidation of a license or permit under IC 9-24-2-4.

SECTION 45. IC 20-34-4-6, AS ADDED BY HEA 1288-2005, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. (a) Not later than sixty (60) days after the enrollment of students for the first time and when additional immunizations are required by statute or rule, each school shall file a written report with the state department of health and the local health department having jurisdiction. The report must include the following:

- (1) A statement of the number of students who have demonstrated immunity against diphtheria, pertussis (whooping cough), tetanus, measles, rubella, poliomyelitis, mumps, and hepatitis B.
- (2) A statement of the number of students who have not demonstrated immunity against the illnesses listed in subdivision (1).
- (3) A statement of the number of students who have been found

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positive for sickle cell anemia or lead poisoning.

(b) The state department of health and the local health department shall, for good cause shown that there exists a substantial threat to the health and safety of a student or the school community, be able to validate immunization reports by onsite reviews or examinations of nonidentifying immunization record data. This section does not independently authorize the state department of health, a local department of health, or an agent of the state department of health or local department of health to have access to identifying medical or academic record data of individual students attending nonaccredited nonpublic schools.

(c) A school shall file a report ~~shall be filed~~ for each student who enrolls ~~subsequent to~~ after the filing of the report for students who enrolled at the beginning of the school year. The state department of health has exclusive power to adopt rules for the administration of this section.

SECTION 46. IC 20-35-4-10, AS ADDED BY HEA 1288-2005, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. (a) For purposes of this section, "comprehensive plan" means a plan for educating the following:

- (1) All children with disabilities that a school corporation is required to educate under sections 8 through 9 of this chapter.
- (2) The additional children with disabilities that the school corporation elects to educate.

(b) For purposes of this section, "school corporation" includes the following:

- (1) The Indiana School for the Blind board.
- (2) The Indiana School for the Deaf board.

(c) The state board shall adopt rules under IC 4-22-2 detailing the contents of the comprehensive plan. Each school corporation shall complete and submit to the state superintendent a comprehensive plan. School corporations operating cooperative or joint special education services may submit a single comprehensive plan. In addition, if a school corporation enters into a contractual agreement as permitted under section 9 of this chapter, the school corporation shall collaborate with the service provider in formulating the comprehensive plan.

(d) Notwithstanding the age limits set out in ~~IC 20-35-1-1~~, **IC 20-35-1-2**, the state board may:

- (1) conduct a program for the early identification of children with disabilities, between the ages of birth and less than twenty-two (22) years of age not served by the public schools or through a contractual agreement under section 9 of this chapter; and

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(2) use agencies that serve children with disabilities other than the public schools.

(e) The state board shall adopt rules under IC 4-22-2 requiring the:

- (1) department of correction;
- (2) state department of health;
- (3) division of disability, aging, and rehabilitative services;
- (4) Indiana School for the Blind board;
- (5) Indiana School for the Deaf board; and
- (6) division of mental health and addiction;

to submit to the state superintendent a plan for the provision of special education for children in programs administered by each respective agency who are entitled to a special education.

(f) The state superintendent shall furnish professional consultant services to school corporations and the entities listed in subsection (e) to aid them in fulfilling the requirements of this section.

SECTION 47. IC 20-35-5-15, AS ADDED BY HEA 1288-2005, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 15. Meetings of the board of managers shall be held in accordance with ~~IC 20-26-4-2~~. **IC 20-26-4-3.**

SECTION 48. IC 20-35-8-2, AS ADDED BY HEA 1288-2005, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) The state board shall adopt rules under IC 4-22-2 to establish limits on the amount of transportation that may be provided in the student's individualized education program. Unless otherwise specially shown to be essential by the child's individualized education program, in case of residency in a public or private facility, these rules must limit the transportation required by the student's individualized education program to the following:

- (1) The student's first entrance and final departure each school year.
- (2) Round trip transportation each school holiday period.
- (3) Two (2) additional round trips each school year.

(b) If a student is a transfer student receiving special education in a public school, the state or school corporation responsible for the payment of transfer tuition under ~~IC 20-33-6-1~~ **IC 20-26-11-1** through ~~IC 20-33-6-4~~ **IC 20-26-11-4** shall pay the cost of transportation required by the student's individualized education program. However, if a transfer student was counted as an eligible student for purposes of a distribution in a calendar year under IC 21-3-3.1, the transportation costs that the transferee school may charge for a school year ending in the calendar year shall be reduced by the sum of the following:

- (1) The quotient of:

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- (A) the amount of money that the transferee school is eligible to receive under IC 21-3-3.1-2.1 for the calendar year in which the school year ends; divided by
- (B) the number of eligible students for the transferee school for the calendar year (as determined under IC 21-3-3.1-2.1).
- (2) The amount of money that the transferee school is eligible to receive under IC 21-3-3.1-4 for the calendar year in which the school year ends for the transportation of the transfer student during the school year.
- (c) If a student receives a special education:
 - (1) in a facility operated by:
 - (A) the state department of health;
 - (B) the division of disability, aging, and rehabilitative services;
 - or
 - (C) the division of mental health and addiction;
 - (2) at the Indiana School for the Blind; or
 - (3) at the Indiana School for the Deaf;

the school corporation in which the student has legal settlement shall pay the cost of transportation required by the student's individualized education program. However, if the student's legal settlement cannot be ascertained, the state board shall pay the cost of transportation required by the student's individualized education program.

(d) If a student is placed in a private facility under IC 20-35-6-2 in order to receive a special education because the student's school corporation cannot provide an appropriate special education program, the school corporation in which the student has legal settlement shall pay the cost of transportation required by the student's individualized education program. However, if the student's legal settlement cannot be ascertained, the state board shall pay the cost of transportation required by the student's individualized education program.

SECTION 49. IC 20-37-1-1, AS ADDED BY HEA 1288-2005, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) Two (2) or more school corporations may cooperate to:

- (1) establish; and
- (2) maintain or supervise;

schools or departments for vocational education if the governing bodies of the school corporations agree to cooperate and apportion the cost of the schools or departments among the school corporations.

(b) If the cooperating school corporations agree to:

- (1) establish; and
- (2) maintain or supervise;

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the schools or departments under subsection (a), the ~~heads designated representatives~~ of the school corporations ~~or their delegated representatives~~ constitute a board for the management of the schools or departments. The board may adopt a plan of organization, administration, and support for the schools or departments. The plan, if approved by the state board, is a binding contract between the cooperating school corporations.

(c) The governing bodies of the cooperating school corporations may cancel or annul the plan described in subsection (b) by the vote of a majority of the governing bodies and upon the approval of the state board. However, if a school corporation desires to withdraw a course offering from the cooperative agreement after:

(1) attempting to withdraw the course offering under a withdrawal procedure authorized by the school corporation's cooperative agreement or bylaw; and

(2) being denied the authority to withdraw the course offering; the school corporation may appeal the denial to the state board. In the appeal, a school corporation must submit a proposal requesting the withdrawal to the state board for approval.

(d) The proposal under subsection (c) must do the following:

(1) Describe how the school corporation intends to implement the particular vocational education course.

(2) Include a provision that provides for at least a two (2) year phaseout of the educational program or course offering from the cooperative agreement.

Upon approval of the proposal by the state board, the school corporation may proceed with the school corporation's withdrawal of the course offering from the cooperative agreement and shall proceed under the proposal.

(e) The withdrawal procedure under subsections (c) and (d) may not be construed to permit a school corporation to change any other terms of the plan described in subsection (b) except those terms that require the school corporation to provide the particular course offering sought to be withdrawn.

(f) The board described in subsection (b) may do the following:

(1) Enter into an agreement to acquire by lease or purchase:

- (A) sites;
- (B) buildings; or
- (C) equipment;

that is suitable for these schools or departments. This authority extends to the acquisition of facilities available under IC 21-5-11.

(2) By resolution adopted by a majority of the board, designate

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three (3) or more individuals from the board's membership to constitute an executive committee.

(g) To the extent provided in a resolution adopted under subsection (f)(2), an executive committee shall do the following:

(1) Exercise the authority of the full board in the management of the schools or departments.

(2) Submit a written summary of its actions to the full board at least semiannually."

Page 11, between lines 34 and 35, begin a new paragraph and insert: "SECTION 51. IC 36-1-14-1, AS AMENDED BY HEA 1288-2005, SECTION 236, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) This section does not apply to donations of proceeds from riverboat gaming to a public school endowment corporation under ~~IC 20-26-5-19~~ **IC 20-26-5-21**.

(b) As used in this section, "riverboat gaming revenue" means tax revenue received by a unit under IC 4-33-12-6, IC 4-33-13, or an agreement to share a city's or county's part of the tax revenue.

(c) Notwithstanding IC 8-1.5-2-6(d), a unit may donate the proceeds from the sale of a utility or facility or from a grant, a gift, a donation, an endowment, a bequest, a trust, or riverboat gaming revenue to a foundation under the following conditions:

(1) The foundation is a charitable nonprofit community foundation.

(2) The foundation retains all rights to the donation, including investment powers.

(3) The foundation agrees to do the following:

(A) Hold the donation as a permanent endowment.

(B) Distribute the income from the donation only to the unit as directed by resolution of the fiscal body of the unit.

(C) Return the donation to the general fund of the unit if the foundation:

(i) loses the foundation's status as a public charitable organization;

(ii) is liquidated; or

(iii) violates any condition of the endowment set by the fiscal body of the unit."

Page 11, line 42, delete "IC 20-4-16-6." and insert "IC 20-4-16-6; IC 20-23-16-2; IC 20-23-16-6; IC 20-23-16-7; IC 20-23-16-8; IC 20-23-16-9; IC 20-23-16-10; IC 20-23-16-12; IC 20-23-16-13; IC 20-23-16-14; IC 20-23-16-15; IC 20-23-16-16; IC 20-23-16-17; IC 20-23-16-18; IC 20-23-16-19; IC 20-23-16-20; IC 20-23-16-21; IC 20-23-16-22; IC 20-23-16-23; IC 20-23-16-24; IC 20-23-16-28;

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IC 20-23-16-29; IC 20-23-16-30; IC 20-23-16-31; IC 20-23-16-32;
IC 20-23-16-33; IC 20-23-16-34; IC 20-23-16-35; IC 20-23-16-36;
IC 20-23-16-37; IC 20-23-16-38; IC 20-23-16-39; IC 20-23-16-40."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 397 as printed February 25, 2005.)

BEHNING, Chair

Committee Vote: yeas 7, nays 0.

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