



January 19, 2018

SENATE BILL No. 354

DIGEST OF SB 354 (Updated January 17, 2018 6:46 pm - DI 110)

Citations Affected: IC 20-26; noncode.

Synopsis: Freeway school corporations and schools. Provides that the state board of education (state board) shall, upon request by a freeway school corporation or a freeway school, waive certain educational benefit requirements for a period of not more than 36 months. Provides that the state board may not grant a waiver after January 1, 2019. Provides that a freeway school corporation or freeway school may receive a waiver for that freeway school corporation or freeway school only one time. Urges the legislative council to assign to the education interim study committee the task of studying the accreditation of elementary and high schools in Indiana.

Effective: Upon passage; July 1, 2018.

Kruse, Raatz

January 4, 2018, read first time and referred to Committee on Education and Career Development.

January 18, 2018, amended, reported favorably — Do Pass.

SB 354—LS 6726/DI 110



January 19, 2018

Second Regular Session 120th General Assembly (2018)

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 2017 Regular Session of the General Assembly.

SENATE BILL No. 354

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 20-26-15-7, AS AMENDED BY P.L.242-2017,
2 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2018]: Sec. 7. **Except as provided under section 15 of this**
4 **chapter (before its expiration)**, the minimum educational benefits that
5 a freeway school corporation or a freeway school must produce under
6 this chapter are the following:
7 (1) An average attendance rate that increases:
8 (A) not less than two percent (2%) each school year until the
9 average attendance rate is eighty-five percent (85%); and
10 (B) one percent (1%) each school year until the average
11 attendance rate is ninety percent (90%).
12 (2) A successful completion rate of the assessment program by
13 meeting essential standards under the statewide assessment
14 program or a locally adopted assessment program established
15 under section 6(7) of this chapter that increases:
16 (A) not less than two percent (2%) each school year until the
17 successful completion rate is not less than eighty-five percent

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- 1 (85%); and
 2 (B) one percent (1%) each school year until the successful
 3 completion rate is not less than ninety percent (90%);
 4 of the students in the designated grade levels under the statewide
 5 assessment program or the locally adopted assessment program
 6 that are grades contained in the freeway school corporation or
 7 freeway school.
 8 (3) Beginning with the class of students who expect to graduate
 9 four (4) years after a freeway school corporation or a freeway
 10 school that is a high school obtains freeway status, a graduation
 11 rate as determined under 511 IAC 6.1-1-2(k) that increases:
 12 (A) not less than two percent (2%) each school year until the
 13 graduation rate is not less than eighty-five percent (85%); and
 14 (B) one percent (1%) each school year until the graduation rate
 15 is ninety percent (90%).
 16 **Except as provided under section 15 of this chapter (before its**
 17 **expiration),** after a freeway school corporation or a freeway school has
 18 achieved the minimum rates required under subdivisions (1) through
 19 (3), the freeway school corporation or freeway school must either
 20 maintain the minimum required rates or show continued improvement
 21 of those rates.
 22 SECTION 2. IC 20-26-15-8, AS ADDED BY P.L.1-2005,
 23 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 JULY 1, 2018]: Sec. 8. (a) The contract must contain the following
 25 provisions:
 26 (1) A list of the statutes and rules that are suspended from
 27 operation in a freeway school corporation or freeway school, as
 28 listed in section 5 of this chapter.
 29 (2) A description of the privileges of a freeway school corporation
 30 or freeway school, as listed in section 6 of this chapter.
 31 (3) A description of the educational benefits listed in section 7 of
 32 this chapter that a freeway school corporation or freeway school
 33 agrees to:
 34 (A) achieve by the end of five (5) complete school years after
 35 the contract is signed; and
 36 (B) maintain at the end of:
 37 (i) the sixth; and
 38 (ii) any subsequent;
 39 complete school year after the contract is signed.
 40 (4) **Subject to section 15 of this chapter (before its expiration),**
 41 a plan and a schedule for the freeway school corporation or
 42 freeway school to achieve the educational benefits listed in



1 section 7 of this chapter by the end of five (5) complete school
 2 years after the contract is signed. The schedule must show some
 3 percentage of improvement by the end of the second, third, and
 4 fourth complete school years after the contract is signed.

5 (5) A school by school strategy, including curriculum, in which
 6 character education is demonstrated to be a priority. The strategy
 7 required under this subdivision must include the following
 8 subjects as integral parts of each school's character education:

9 (A) Hygiene.

10 (B) Alcohol and drugs.

11 (C) Diseases transmitted sexually or through drug use,
 12 including AIDS.

13 (D) Honesty.

14 (E) Respect.

15 (F) Abstinence and restraint.

16 (6) A plan under which the freeway school corporation or freeway
 17 school will offer courses that will allow a student to become
 18 eligible to receive an academic honors diploma.

19 (7) A plan under which the freeway school corporation or freeway
 20 school will maintain a safe and disciplined learning environment
 21 for students and teachers.

22 (b) In the contract:

23 (1) the quantitative measures of benefits may be higher, but not
 24 lower, than the minimum educational benefits listed in section 7
 25 of this chapter; and

26 (2) educational benefits may be included in addition to the
 27 minimum educational benefits listed in section 7 of this chapter.

28 SECTION 3. IC 20-26-15-10, AS ADDED BY P.L.1-2005,
 29 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 JULY 1, 2018]: Sec. 10. **Subject to section 15 of this chapter (before**
 31 **its expiration)**, on July 1 of each year, the state board shall determine
 32 whether a freeway school corporation or freeway school that has
 33 completed:

34 (1) a second, third, or fourth complete school year under a
 35 contract entered under this chapter has achieved the scheduled
 36 improvement in educational benefits that the freeway school
 37 corporation or freeway school has agreed to achieve;

38 (2) a fifth complete school year under a contract entered under
 39 this chapter has achieved the educational benefits that the freeway
 40 school corporation or freeway school has agreed to achieve; or

41 (3) more than five (5) full school years under a contract entered
 42 under this chapter has maintained the educational benefits that the



1 freeway school corporation or freeway school has agreed to
2 maintain.

3 SECTION 4. IC 20-26-15-11, AS ADDED BY P.L.1-2005,
4 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2018]: Sec. 11. (a) **Except as provided under section 15 of**
6 **this chapter (before its expiration)**, a school corporation that enters
7 into a contract under this chapter to:

8 (1) be a freeway school corporation; or
9 (2) operate a freeway school;
10 must achieve the educational benefits that the school corporation
11 agrees in the contract to achieve.

12 (b) **Except as provided under section 15 of this chapter (before**
13 **its expiration)**, if a school corporation that enters into a contract under
14 this chapter to be a freeway school corporation or to operate a freeway
15 school fails to achieve any of the educational benefits agreed upon in
16 the contract at the end of a school year:

17 (1) the state board shall review the school corporation's plan and
18 schedule for achieving the educational benefits, and, if necessary,
19 modify the plan; and

20 (2) the year in which the educational benefits are not achieved is
21 not included in the five (5) year contract period.

22 (c) **Except as provided under section 15 of this chapter (before**
23 **its expiration)**, a contract is void and a school corporation ceases
24 immediately to be a freeway school corporation or to be eligible to
25 operate a freeway school if:

26 (1) the school corporation or school has previously undergone a
27 plan and schedule review under subsection (b); and

28 (2) the state board determines that the school corporation or
29 school failed to achieve the following that the school corporation
30 agreed to achieve in the contract:

31 (A) at the end of the second, third, or fourth complete school
32 year after a contract is signed under this chapter, two (2) of the
33 three (3) scheduled improvements in educational benefits that
34 are listed in section 7 of this chapter; or

35 (B) at the end of the fifth complete school year after a contract
36 is signed under this chapter, the educational benefits stated in
37 the contract.

38 SECTION 5. IC 20-26-15-12, AS ADDED BY P.L.1-2005,
39 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
40 JULY 1, 2018]: Sec. 12. (a) **Except as provided under section 15 of**
41 **this chapter (before its expiration)**, a school corporation that enters
42 into a contract under this chapter to be a freeway school corporation or



1 to operate a freeway school must maintain the educational benefits that
 2 the school corporation agrees to achieve in the contract.

3 (b) **Except as provided under section 15 of this chapter (before**
 4 **its expiration)**, if the state board determines that a freeway school
 5 corporation or freeway school has failed to maintain the educational
 6 benefits described in subsection (a) for two (2) consecutive or
 7 nonconsecutive school years beginning with the end of the sixth school
 8 year after a contract is signed under this chapter:

9 (1) the contract is void; and

10 (2) the school corporation ceases to be:

11 (A) a freeway school corporation; or

12 (B) eligible to operate a freeway school;

13 on July 1 following the second school year in which the freeway school
 14 corporation or freeway school failed to maintain the required
 15 educational benefits.

16 SECTION 6. IC 20-26-15-15 IS ADDED TO THE INDIANA
 17 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 18 [EFFECTIVE JULY 1, 2018]: **Sec. 15. (a) This section applies to a**
 19 **school corporation or school that operates or is a freeway school**
 20 **corporation or freeway school under this chapter on July 1, 2018.**

21 (b) **Notwithstanding any other law or a contract entered into**
 22 **with the state board under this chapter, a freeway school**
 23 **corporation or freeway school may request that the state board**
 24 **waive the educational benefit requirements under section 7 of this**
 25 **chapter for a period of not more than thirty-six (36) months.**

26 (c) The state board shall, upon request by a freeway school
 27 corporation or freeway school, waive the educational benefit
 28 requirements described in subsection (b) for the freeway school
 29 corporation or freeway school for a period of not more than thirty-
 30 six (36) months. The state board may not grant a waiver under this
 31 section after January 1, 2019.

32 (d) **During the period of a waiver granted under subsection (c),**
 33 **a freeway school corporation or freeway school may continue to**
 34 **operate as a freeway school corporation or freeway school**
 35 **regardless of whether the freeway school corporation or freeway**
 36 **school meets the educational benefit requirements described in**
 37 **section 7 of this chapter.**

38 (e) **A freeway school corporation or freeway school may receive**
 39 **a waiver from the state board under this section for that freeway**
 40 **school corporation or freeway school only one (1) time.**

41 (f) **This section expires January 1, 2022.**

42 SECTION 7. [EFFECTIVE UPON PASSAGE] (a) **As used in this**



1 **SECTION, "committee" refers to the education interim study**
2 **committee established by IC 2-5-1.3-4(5).**

3 **(b) The definitions in IC 20-18-2 apply throughout this**
4 **SECTION.**

5 **(c) The legislative council is urged to assign to the committee the**
6 **task of studying the accreditation of elementary schools and high**
7 **schools in Indiana.**

8 **(d) This SECTION expires January 1, 2019.**
9 **SECTION 8. An emergency is declared for this act.**



COMMITTEE REPORT

Madam President: The Senate Committee on Education and Career Development, to which was referred Senate Bill No. 354, 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 1, line 3, delete "The" and insert "**Except as provided under section 15 of this chapter (before its expiration),** the".

Page 1, line 11, delete "Except as provided under section 15 of this chapter, a" and insert "A".

Page 2, line 16, delete "chapter," and insert "**chapter (before its expiration),**".

Page 2, line 39, delete "chapter," and insert "**chapter (before its expiration),**".

Page 3, line 29, delete "chapter," and insert "**chapter (before its expiration),**".

Page 4, line 4, delete "chapter," and insert "**chapter (before its expiration),**".

Page 4, line 10, delete "chapter," and insert "**chapter (before its expiration),**".

Page 4, line 20, delete "chapter," and insert "**chapter (before its expiration),**".

Page 4, line 39, delete "chapter," and insert "**chapter (before its expiration),**".

Page 5, line 1, delete "chapter," and insert "**chapter (before its expiration),**".

Page 5, delete lines 19 through 26, begin a new paragraph and insert:

"(b) Notwithstanding any other law or a contract entered into with the state board under this chapter, a freeway school corporation or freeway school may request that the state board waive the educational benefit requirements under section 7 of this chapter for a period of not more than thirty-six (36) months."

Page 5, line 27, delete "Subject to subsection (d), the" and insert "**The**".

Page 5, line 31, delete "months if the freeway school" and insert "**months. The state board may not grant a waiver under this section after January 1, 2019.**".

Page 5, delete lines 32 through 42.

Page 6, line 1, delete "(e)" and insert "**(d)**".

Page 6, line 6, delete "7(2)" and insert "**7**".



Page 6, after line 6, begin a new paragraph and insert:

"(e) A freeway school corporation or freeway school may receive a waiver from the state board under this section for that freeway school corporation or freeway school only one (1) time.

(f) This section expires January 1, 2022.

SECTION 7. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "committee" refers to the education interim study committee established by IC 2-5-1.3-4(5).

(b) The definitions in IC 20-18-2 apply throughout this SECTION.

(c) The legislative council is urged to assign to the committee the task of studying the accreditation of elementary schools and high schools in Indiana.

(d) This SECTION expires January 1, 2019.

SECTION 8. An emergency is declared for this act."

and when so amended that said bill do pass.

(Reference is to SB 354 as introduced.)

KRUSE, Chairperson

Committee Vote: Yeas 10, Nays 1.

