

# SENATE BILL No. 555

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 20-43-10-3.

**Synopsis:** Teacher performance grants. Provides that a school corporation's annual performance grant is equal to the sum of: (1) the number of teachers employed by the school corporation who were rated as highly effective in the teacher's annual performance evaluation conducted in the preceding state fiscal year, multiplied by \$750; plus (2) the number of teachers employed by the school corporation who were rated as effective in the teacher's annual performance evaluation conducted in the preceding state fiscal year, multiplied by \$500.

**Effective:** June 29, 2017.

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## Stoops

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January 17, 2017, read first time and referred to Committee on Appropriations.

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First Regular Session 120th General Assembly (2017)

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 2016 Regular Session of the General Assembly.

## SENATE BILL No. 555

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 20-43-10-3, AS AMENDED BY P.L.151-2016,  
2 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JUNE 29, 2017]: Sec. 3. (a) As used in this section, "achievement test"  
4 means a:  
5 (1) test required by the ISTEP program; or  
6 (2) Core 40 end of course assessment for the following:  
7 (A) Algebra I;  
8 (B) English 10;  
9 (C) Biology I;  
10 (b) As used in this section, "graduation rate" means the percentage  
11 graduation rate for a high school in a school corporation as determined  
12 under IC 20-26-13-10 but adjusted to reflect the pupils who meet the  
13 requirements of graduation under subsection (d);  
14 (c) As used in this section, "test" means either:  
15 (1) a test required by the ISTEP program; or  
16 (2) a Core 40 end of course assessment;  
17 (d) A pupil meets the requirements of graduation for purposes of



1 this section if the pupil successfully completed:

2 (1) a sufficient number of academic credits; or the equivalent of  
3 academic credits; and

4 (2) the graduation examination required under IC 20-32-3 through  
5 IC 20-32-5;

6 that resulted in the awarding of a high school diploma or an academic  
7 honors diploma to the pupil for the school year ending in the  
8 immediately preceding state fiscal year.

9 (e) Determinations for a school for a state fiscal year must be made  
10 using:

11 (1) the count of tests passed compared to the count of tests taken  
12 throughout the school;

13 (2) the graduation rate in the high school; and

14 (3) the count of pupils graduating in the high school.

15 (f) In determining grants under this section, a school corporation  
16 may qualify for the following two (2) grants each year:

17 (1) One (1) grant under subsection (h), (i), or (j):

18 (2) One (1) grant under subsection (k), (l), or (m):

19 (g) The sum of the two (2) grant amounts described in subsection  
20 (f), as determined for a school corporation under this section;  
21 constitutes an **(a) A school corporation is entitled to an annual  
22 performance grant for a state fiscal year if the school corporation  
23 employed one (1) or more teachers rated as highly effective or  
24 effective in the teacher's annual performance evaluation conducted  
25 in the preceding state fiscal year under a plan established under  
26 IC 20-28-11.5-4. An annual performance grant that is in addition to  
27 state tuition support.**

28 **(b) The amount of a school corporation's annual performance  
29 grant for a state fiscal year is equal to the sum of the following:**

30 **(1) The result of:**

31 **(A) the number of teachers employed by the school  
32 corporation who were rated as highly effective in the  
33 teacher's annual performance evaluation conducted in the  
34 preceding state fiscal year under a plan established under  
35 IC 20-28-11.5-4; multiplied by**

36 **(B) seven hundred fifty dollars (\$750).**

37 **(2) The result of:**

38 **(A) the number of teachers employed by the school  
39 corporation who were rated as effective in the teacher's  
40 annual performance evaluation conducted in the preceding  
41 state fiscal year under a plan established under  
42 IC 20-28-11.5-4; multiplied by**



1                   **(B) five hundred dollars (\$500).**

2                   **(c)** After review by the budget committee, the annual performance  
3 grant for a state fiscal year shall be distributed to the school corporation  
4 before December 5 of that state fiscal year, unless an extension of the  
5 December 5 deadline is approved for that state fiscal year under  
6 subsection ~~(e)~~. **(f).**

7                   **(d)** If the:

8                   (1) total amount to be distributed as performance grants for a  
9 particular state fiscal year exceeds the amount appropriated by the  
10 general assembly for performance grants for that state fiscal year,  
11 the total amount to be distributed as performance grants to school  
12 corporations shall be proportionately reduced so that the total  
13 reduction equals the amount of the excess. The amount of the  
14 reduction for a particular school corporation is equal to the total  
15 amount of the excess multiplied by a fraction. The numerator of  
16 the fraction is the amount of the performance grant that the school  
17 corporation would have received if a reduction were not made  
18 under this section. The denominator of the fraction is the total  
19 amount that would be distributed as performance grants to all  
20 school corporations if a reduction were not made under this  
21 section; and

22                   (2) total amount to be distributed as performance grants for a  
23 particular state fiscal year is less than the amount appropriated by  
24 the general assembly for performance grants for that state fiscal  
25 year, the total amount to be distributed as performance grants to  
26 school corporations for that particular state fiscal year shall be  
27 proportionately increased so that the total amount to be  
28 distributed equals the amount of the appropriation for that  
29 particular state fiscal year.

30                   **(e)** The performance grant received by a school corporation shall be  
31 allocated among and used only to pay cash stipends to all teachers who  
32 are rated as effective or as highly effective and employed by the school  
33 corporation as of December 1. The lead school corporation or interlocal  
34 cooperative administering a cooperative or other special education  
35 program or administering a career and technical education program,  
36 including programs managed under IC 20-26-10, IC 20-35-5, IC 20-37,  
37 or IC 36-1-7, shall award performance stipends to and carry out the  
38 other responsibilities of an employing school corporation under this  
39 section for the teachers in the special education program or career and  
40 technical education program. The amount of the distribution from an  
41 annual performance grant to an individual teacher is determined at the  
42 discretion of the governing body of the school corporation. The



1 governing body shall differentiate between the amount of the stipend  
 2 awarded to a teacher rated as a highly effective teacher and a teacher  
 3 rated as an effective teacher and may differentiate between school  
 4 buildings. A stipend to an individual teacher in a particular year is not  
 5 subject to collective bargaining and is in addition to the minimum  
 6 salary or increases in salary set under IC 20-28-9-1.5. In addition, an  
 7 amount determined under the policies adopted by the governing body  
 8 but not exceeding fifty percent (50%) of the amount of a stipend to an  
 9 individual teacher in a particular state fiscal year beginning after June  
 10 30, 2015, becomes a permanent part of and increases the base salary of  
 11 the teacher receiving the stipend for school years beginning after the  
 12 state fiscal year in which the stipend is received. The addition to base  
 13 salary under this section is not subject to collective bargaining, is  
 14 payable from funds other than the performance grant, and is in addition  
 15 to the minimum salary and increases in salary set under IC 20-28-9-1.5.  
 16 The school corporation shall distribute all stipends from a performance  
 17 grant to individual teachers within twenty (20) business days of the  
 18 date the department distributes the performance grant to the school  
 19 corporation. Any part of the performance grant not distributed as  
 20 stipends to teachers before February must be returned to the  
 21 department on the earlier of the date set by the department or June 30  
 22 of that state fiscal year.

23 (h) Except as provided in subsection (n), a school qualifies for a  
 24 grant under this subsection if the school has more than seventy-two and  
 25 five-tenths percent (72.5%) but less than ninety percent (90%) of the  
 26 tests taken in the school year ending in the immediately preceding state  
 27 fiscal year that receive passing scores. The grant amount for the state  
 28 fiscal year is:

29 (1) the count of the school's passing scores on tests in the school  
 30 year ending in the immediately preceding state fiscal year;  
 31 multiplied by

32 (2) twenty-three dollars and fifty cents (\$23.50).

33 (i) Except as provided in subsection (n), a school qualifies for a  
 34 grant under this subsection if the school has at least ninety percent  
 35 (90%) of the tests taken in the school year ending in the immediately  
 36 preceding state fiscal year that receive passing scores. The grant  
 37 amount for the state fiscal year is:

38 (1) the count of the school's passing scores on tests in the school  
 39 year ending in the immediately preceding state fiscal year;  
 40 multiplied by

41 (2) forty-seven dollars (\$47).

42 (j) This subsection does not apply to a school corporation in its first



1 year of operation or to a school corporation that is entitled to a  
 2 distribution under subsection (h) or (i). Except as provided in  
 3 subsection (n), a school qualifies for a grant under this subsection if the  
 4 school's school year over school year percentage growth rate of  
 5 achievement tests receiving passing scores was at least five percent  
 6 (5%); comparing the school year ending in the immediately preceding  
 7 state fiscal year to the school year immediately preceding that school  
 8 year. The grant amount for the state fiscal year is:

- 9 (1) the count of the school corporation's pupils who had a passing  
 10 score on their achievement test in the school year ending in the  
 11 immediately preceding state fiscal year; multiplied by  
 12 (2) forty-seven dollars (\$47).

13 (k) A school qualifies for a grant under this subsection if the school  
 14 had a graduation rate of ninety percent (90%) or more for the school  
 15 year ending in the immediately preceding state fiscal year. The grant  
 16 amount for the state fiscal year is:

- 17 (1) the count of the school corporation's pupils who met the  
 18 requirements for graduation for the school year ending in the  
 19 immediately preceding state fiscal year; multiplied by  
 20 (2) one hundred seventy-six dollars (\$176).

21 (l) A school qualifies for a grant under this subsection if the school  
 22 had a graduation rate greater than seventy-five percent (75%) but less  
 23 than ninety percent (90%) for the school year ending in the  
 24 immediately preceding state fiscal year. The grant amount for the state  
 25 fiscal year is:

- 26 (1) the count of the school corporation's pupils who met the  
 27 requirements for graduation for the school year ending in the  
 28 immediately preceding state fiscal year; multiplied by  
 29 (2) eighty-eight dollars (\$88).

30 (m) This subsection does not apply to a school in its first year of  
 31 operation or to a school corporation that is entitled to a distribution  
 32 under subsection (k) or (l). A school qualifies for a grant under this  
 33 subsection if the school's school year over school year percentage  
 34 growth in its graduation rate is at least five percent (5%); comparing  
 35 the graduation rate for the school year ending in the immediately  
 36 preceding state fiscal year to the graduation rate for the school year  
 37 immediately preceding that school year. The grant amount for the state  
 38 fiscal year is:

- 39 (1) the count of the school corporation's pupils who met the  
 40 requirements for graduation in the school year ending in the  
 41 immediately preceding state fiscal year; multiplied by  
 42 (2) one hundred seventy-six dollars (\$176).



1           (n) This subsection applies to the state fiscal year beginning July 1,  
2 2015, and ending June 30, 2016. Notwithstanding subsection (h); (i);  
3 or (j); the amount of the grant described in subsection (h); (i); or (j)  
4 shall be calculated using the higher of:

5           (1) the percentage of passing scores on ISTEP program tests for  
6 the school for the 2013-2014 school year; or

7           (2) the percentage of passing scores on ISTEP program tests for  
8 the school for the 2014-2015 school year.

9 If a grant amount for a school is calculated using the percentage  
10 described in subdivision (1); the ISTEP data from the 2013-2014  
11 school year shall be used in the calculation of the grant amount; and the  
12 grant amount may not exceed the grant amount that the school received  
13 for the state fiscal year beginning July 1, 2014, and ending June 30,  
14 2015; or in the case of a currently eligible school that was ineligible for  
15 a grant in the state fiscal year beginning July 1, 2014, and ending June  
16 30, 2015, because the school had not completed the required teacher  
17 evaluations; the grant amount that the school would have been entitled  
18 to receive for the state fiscal year beginning July 1, 2014, and ending  
19 June 30, 2015; if the school had been eligible. The school corporation  
20 shall distribute all stipends from a performance grant to individual  
21 teachers within twenty (20) business days of the date the department  
22 distributes the performance grant to the school corporation.

23           (~~o~~) (f) The department, after review by the budget committee, may  
24 waive the December 5 deadline to distribute an annual performance  
25 grant to the school corporation under subsection (~~g~~) (c) for that state  
26 fiscal year and approve an extension of that deadline to a later date  
27 within that state fiscal year, if the department determines that a waiver  
28 and extension of the deadline is in the public interest.

29           (~~p~~) (g) This section expires June 30, 2017. **2019.**

30           **SECTION 2. An emergency is declared for this act.**

