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# HOUSE BILL No. 1479

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 20-31.

**Synopsis:** School performance and turnaround academies. Provides that a school that remains in either of the two lowest performance categories for a fifth year, or, in certain circumstances after a third or fourth year, becomes a turnaround academy. Requires the state board of education to set specific goals for a turnaround academy, and allows the turnaround academy to be operated by a special management team. Provides that a turnaround academy that meets the goals set for it becomes an independent school corporation.

**Effective:** July 1, 2011.

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January 20, 2011, read first time and referred to Committee on Education.

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First Regular Session 117th General Assembly (2011)

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 2010 Regular Session of the General Assembly.

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## HOUSE BILL No. 1479



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 20-31-2-6.5 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2011]: **Sec. 6.5. "Performance bond" means a surety provided by**  
4 **a special management team under IC 20-31-9.5-1 to ensure that a**  
5 **turnaround academy will meet established performance targets.**

6 SECTION 2. IC 20-31-2-7.5 IS ADDED TO THE INDIANA CODE  
7 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
8 1, 2011]: **Sec. 7.5. "Quality review" means an evaluation of**  
9 **academic quality indicators conducted by the department and**  
10 **chosen team members of a school.**

11 SECTION 3. IC 20-31-2-9 IS ADDED TO THE INDIANA CODE  
12 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
13 1, 2011]: **Sec. 9. "Special management team" means an entity that**  
14 **manages a turnaround academy.**

15 SECTION 4. IC 20-31-2-10 IS ADDED TO THE INDIANA CODE  
16 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
17 1, 2011]: **Sec. 10. "Turnaround academy" means a school that is**



1 **subject to IC 20-31-9.5.**

2 SECTION 5. IC 20-31-9-2, AS ADDED BY P.L.1-2005, SECTION  
3 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
4 2011]: Sec. 2. (a) This section applies the first year that a school is  
5 placed in **either of the two (2) lowest ~~category categories~~ or**  
6 **~~designation designations~~** of school improvement.

7 (b) The state board shall place the school and the school corporation  
8 on notice that the school is in **one (1) of the two (2) lowest ~~category~~**  
9 **~~categories~~ or ~~designation designations~~** of school improvement. Upon  
10 receiving the notice, the governing body shall:

- 11 (1) issue a public notice of the school's lack of improvement; and  
12 (2) hold a public hearing in which public testimony is received  
13 concerning the lack of improvement.

14 (c) The committee shall revise the school's plan. A revision under  
15 this subsection may include any of the following:

- 16 (1) Shifting resources.  
17 (2) Changing personnel.  
18 (3) Requesting the state board to appoint an outside team to  
19 manage the school or assist in the development of a new plan.

20 (d) If the governing body approves a request for the state board to  
21 appoint an outside team under subsection (c)(3), the school is  
22 considered to be placed under section 3 of this chapter.

23 SECTION 6. IC 20-31-9-3, AS ADDED BY P.L.1-2005, SECTION  
24 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
25 2011]: Sec. 3. (a) This section applies if, in the third year after initial  
26 placement in **either of the two (2) lowest ~~category categories~~ or**  
27 **~~designation, designations,~~ a school still remains in **either of the two****  
28 **(2) lowest ~~category categories~~ or ~~designation, designations.~~**

29 (b) The state board shall establish and assign an expert team to the  
30 school **to conduct a quality review**. The expert team:

- 31 (1) must include representatives from the community or region  
32 that the school serves; and  
33 (2) may include:  
34 (A) school superintendents, members of governing bodies, and  
35 teachers from school corporations that are in high categories  
36 or designations; and  
37 (B) special consultants or advisers.

38 (c) The expert team shall:

- 39 (1) assist the school in revising the school's plan; and  
40 (2) recommend changes in the school that will promote  
41 improvement, including the reallocation of resources or requests  
42 for technical assistance.

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1 (d) A school to which this section applies remains subject to this  
2 section until the school:

- 3 (1) is placed in the middle category or designation, or a higher
- 4 category or designation, for two (2) consecutive school years;
- 5 or
- 6 (2) becomes subject to section 4 of this chapter.

7 (e) If the governing body of the school corporation in which a  
8 school to which this section applies is located wishes to:

- 9 (1) close;
- 10 (2) change the grade configuration of; or
- 11 (3) change the attendance zones of;

12 the school to avoid the consequences set forth in this chapter, the  
13 governing body must petition the state board for permission to  
14 take an action under subdivisions (1) through (3). The state board  
15 may grant permission at the state board's discretion.

16 (f) The governing body of the school corporation in which a  
17 school to which this section applies is located may petition the state  
18 board to immediately restructure the school by presenting a  
19 written plan to the state board setting forth the proposed  
20 interventions for the school. If the state board approves the  
21 petition and accepts the plan, the school:

- 22 (1) operates under the applicable provisions of IC 20-31-9.5;
- 23 and
- 24 (2) is carried forward in the performance category or
- 25 designation in which the school is placed at the time the plan
- 26 is accepted and is not placed in a different performance
- 27 category or designation.

28 (g) The parents of at least fifty-one percent (51%) of the  
29 students who attend a school to which this section applies may  
30 petition the state board to place the school immediately under  
31 section 4 of this chapter.

32 SECTION 7. IC 20-31-9-3.5 IS ADDED TO THE INDIANA CODE  
33 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
34 1, 2011]: **Sec. 3.5. (a) This section applies if, in the fourth year after**  
35 **initial placement in either of the two (2) lowest categories or**  
36 **designations, a school remains in either of the two (2) lowest**  
37 **categories or designations.**

38 (b) If the governing body of the school corporation in which a  
39 school to which this section applies is located wishes to:

- 40 (1) close;
- 41 (2) change the grade configuration of; or
- 42 (3) change the attendance zones of;

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1 the school to avoid the consequences set forth in this chapter, the  
 2 governing body must petition the state board for permission to  
 3 take an action under subdivisions (1) through (3). The state board  
 4 may grant permission at the state board's discretion.

5 (c) The governing body of the school corporation in which a  
 6 school to which this section applies is located may petition the state  
 7 board to immediately restructure the school by presenting a  
 8 written plan to the state board setting forth the proposed  
 9 interventions for the school. If the state board approves the  
 10 petition and accepts the plan, the school:

11 (1) operates under the applicable provisions of IC 20-31-9.5;  
 12 and

13 (2) is carried forward in the performance category or  
 14 designation in which the school is placed at the time the plan  
 15 is accepted and is not placed in a different performance  
 16 category or designation.

17 (d) The parents of at least fifty-one percent (51%) of the  
 18 students who attend a school to which this section applies may  
 19 petition the state board to place the school immediately under  
 20 section 4 of this chapter.

21 SECTION 8. IC 20-31-9-4, AS ADDED BY P.L. 1-2005, SECTION  
 22 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
 23 2011]: Sec. 4. (a) This section applies if, in the fifth year after initial  
 24 placement in **either of the two (2) lowest category categories** or  
 25 ~~designation; designations~~, a school still remains in **either of the two**  
 26 **(2) lowest category categories** or ~~designation; designations~~.

27 (b) The state board shall do the following:

28 (1) Hold at least one (1) public hearing in the school corporation  
 29 where the school is located to consider and hear testimony  
 30 concerning the following options for school ~~improvement:~~  
 31 **intervention:**

32 (A) Merging the school with a nearby school that is in a higher  
 33 category.

34 (B) Assigning a special management team to operate all or  
 35 part of the school.

36 (C) **Implementing** the department's recommendations for  
 37 improving the school.

38 **(D) Closing the school.**

39 ~~(D)~~ **(E) Implementing** other options for school ~~improvement~~  
 40 **intervention, including those** expressed at the public hearing.  
 41 ~~including closing the school.~~

42 ~~(E)~~ **(F) Revising** the school's plan in any of the following

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- areas:
- (i) Changes in school procedures or operations.
- (ii) Professional development.
- (iii) Intervention for individual teachers or administrators.
- (2) If the state board determines that intervention will improve the school, implement at least one (1) of the options listed in subdivision (1).

**(c) Unless the school is closed or merged, a school that is subject to intervention under this section becomes a turnaround academy under IC 20-31-9.5.**

SECTION 9. IC 20-31-9.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]:

**Chapter 9.5. Turnaround Academies**

**Sec. 1. (a) If the state board imposes an intervention under IC 20-31-9-4, the state board shall determine how many years the school is subject to the intervention, in periods of five (5) years. The state board may decrease the number of years in a period, or renew the intervention for additional periods if the state board considers the renewal to be necessary. Not later than April 1 of each year, the state board shall determine whether the intervention will continue at each school that is subject to an intervention.**

**(b) After the state board determines that an intervention is necessary for a school, the department shall create a turnaround plan, working with any special management team that the state board wishes to include in the turnaround. The turnaround plan must:**

- (1) explain the interventions to be implemented;**
- (2) set forth the parties primarily responsible for the interventions, including any special management teams;**
- (3) set forth the period for the interventions;**
- (4) define annual goals for the turnaround academy, including:**
  - (A) academic goals;**
  - (B) attendance rate goals for teachers and students;**
  - (C) graduation rate goals;**
  - (D) financial management goals; and**
  - (E) any other goals the department determines are appropriate for the school; and**
- (5) identify the consequences for failure to meet the goals.**

**(c) If the state board enters into a contract with a special management team as a part of a school intervention, the special**

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1 management team shall secure a performance bond, in an amount  
 2 determined by the state board, before the contract is finalized.

3 Sec. 2. (a) The state, the state board, or a special management  
 4 team designated by the state board to achieve the goals of a  
 5 turnaround academy may not be considered a school employer  
 6 under IC 20-29-6. A special management team shall make all  
 7 personnel decisions in a school the special management team  
 8 operates. The special management team is not bound by a contract  
 9 entered into under IC 20-29.

10 (b) If the state board assigns a special management team other  
 11 than the school corporation to operate a turnaround academy, the  
 12 school corporation shall lease the building the school occupied in  
 13 the year immediately preceding the year in which the school is  
 14 designated a turnaround academy for one dollar (\$1) per year. The  
 15 lease must include all the building's contents, equipment, and  
 16 supplies that are located anywhere on the building's real property.

17 (c) The special management team assigned by the state board  
 18 shall continue to use the building, the accompanying real property,  
 19 and the building's contents, equipment, and supplies under the  
 20 terms set forth in subsection (b) for as long as the special  
 21 management team manages the turnaround academy.

22 (d) If the turnaround academy contracts with a school  
 23 corporation for goods or services, the school corporation may not  
 24 charge a higher fee to the turnaround academy than the school  
 25 corporation pays for the goods or services.

26 (e) Turnaround academies are eligible to receive building and  
 27 technology loans administered by the state board from the common  
 28 school fund.

29 Sec. 3. (a) Students who live in the attendance area served by a  
 30 school that becomes a turnaround academy may attend the  
 31 turnaround academy. The turnaround academy may not refuse  
 32 enrollment to a student who lives in the attendance area.

33 (b) A turnaround academy may enroll a student who resides  
 34 anywhere in Indiana.

35 (c) If a student who attends a turnaround academy and does not  
 36 live in the attendance area served by the turnaround academy  
 37 chooses to participate in academic or athletic offerings, the  
 38 transferor school corporation or an association (as defined in  
 39 IC 20-26-14-1) may not inhibit the student's ability to participate  
 40 in any level of academic or athletic offerings of the turnaround  
 41 academy, unless the transfer is a result of undue influence by the  
 42 turnaround academy's administrators or athletic coaches.

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1           **Sec. 4. (a) Not later than the date established by the state board**  
 2 **for determining ADM under IC 20-43-4-2, and after May 31, a**  
 3 **turnaround academy shall submit to the department on a form**  
 4 **prescribed by the department the following information:**

5           **(1) The number of students in the turnaround academy.**

6           **(2) The name and student test number of each student, and**  
 7 **the school corporation in which the student has legal**  
 8 **settlement.**

9           **(3) The grade level in which the student will enroll in the**  
 10 **turnaround academy.**

11 **The department may audit the information reported.**

12           **(b) The department shall provide the department of local**  
 13 **government finance with the following information:**

14           **(1) For each county, the number of students who:**

15           **(A) have legal settlement in the county; and**

16           **(B) attend a turnaround academy.**

17           **(2) The school corporation in which each student described in**  
 18 **subdivision (1) has legal settlement.**

19           **(3) The turnaround academy that each student described in**  
 20 **subdivision (1) attends and the county in which the**  
 21 **turnaround academy is located.**

22           **(c) The state board shall consult with the department of local**  
 23 **government finance to certify a per capita share of capital projects**  
 24 **and transportation funds to the department, which the auditor in**  
 25 **the county of legal settlement shall distribute to the department**  
 26 **under the same schedule as funds are distributed to school**  
 27 **corporations.**

28           **(d) A turnaround academy may use transportation funds for**  
 29 **any purpose that a school corporation may use transportation or**  
 30 **bus replacement funds. A turnaround academy may use capital**  
 31 **project funds only for the purposes a school corporation may use**  
 32 **capital project funds.**

33           **(e) The department of local government finance is not required**  
 34 **to review a budget for a turnaround academy.**

35           **Sec. 5. (a) Each year, the state board shall analyze data and**  
 36 **information relating to a turnaround academy's attainment of the**  
 37 **academy's annual goals.**

38           **(b) In the third year of interventions, the state board shall**  
 39 **determine whether the special management team has reached the**  
 40 **goals identified for the turnaround academy under this chapter. If**  
 41 **the goals have been reached, the state board may have the**  
 42 **performance bond required under section 1 of this chapter set**

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aside.

(c) If after five (5) years the state board determines that it is in the best interest of the turnaround academy's students for interventions to continue, the state board may renew the agreement with the special management team for another term of up to five (5) years.

(d) If after five (5) years the state board determines that interventions have failed to reach the goals set for the turnaround academy, the state board may:

- (1) enter into an agreement with a new special management team; or
- (2) implement additional interventions under IC 20-31-9-4.

(e) If special management teams or other interventions fail to improve a turnaround academy, the state board shall return the turnaround academy to the control of the school corporation in which the school is located.

**Sec. 6. (a)** The state board may release a turnaround academy from a special management team:

- (1) at the end of the term set forth in section 1 of this chapter; or
- (2) earlier than under subdivision (1), if the turnaround academy has attained the goals set.

(b) When a turnaround academy is released from a special management team, the turnaround academy becomes an independent school corporation, and the department shall assign the independent school corporation a separate school corporation identification number.

(c) A school corporation created under this section is eligible:

- (1) to receive federal and state education funds in the same manner as any other school corporation; and
- (2) for construction and technology loans administered by the state board from the common school fund.

(d) A school corporation created under this section may:

- (1) continue to lease a building under section 2 of this chapter; or
- (2) if both school corporations agree, purchase the building from the school corporation that owns the building for a fair market value price.

**Sec. 7. (a)** A school corporation created under section 6 of this chapter shall be governed initially by a governing body appointed by the state board. The governing body:

- (1) consists of not more than seven (7) members, one (1) of

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whom must be a representative of, but not a member of the governing body of, the school corporation of which the school corporation created under section 6 of this chapter was a part before becoming a turnaround academy;

(2) is a public agency for purposes of IC 5-14 and IC 5-15;

(3) must have a majority of members who reside in the county in which the school corporation is located; and

(4) appoints replacement members when vacancies occur.

The initial governing body shall determine the length of terms, term limits, and other governing matters.

(b) The governing body of a school corporation created under section 6 of this chapter may do any of the following:

(1) Enter into an agreement with another school corporation for the operation of the school corporation created under section 6 of this chapter. Before an agreement is finalized, the state board:

(A) must approve the transfer of operations; and

(B) may set requirements for the operation of the school corporation.

(2) Join with another school corporation created under section 6 of this chapter to form a single school corporation.

(3) Apply to an appropriate sponsor to become a charter school.

(4) Enter into a contract with a management team to operate the school corporation or any part of the school corporation.

(5) Enter into a contract with another school to provide educational services.

(6) Operate the school corporation.

(c) The powers set forth in IC 20-24-8-1 apply to a school corporation created under section 6 of this chapter.

(d) The restrictions set forth in IC 20-24-8-2 apply to a school corporation created under section 6 of this chapter.

(e) A school corporation created under section 6 of this chapter shall comply with IC 20-24-8-3.

(f) Except as specifically provided in this chapter, the following do not apply to a school corporation created under section 6 of this chapter:

(1) An Indiana statute applicable to a governing body or school corporation.

(2) A rule or guideline adopted by the state board.

(3) A rule or guideline adopted by the advisory board of the division of professional standards established by IC 20-28-2-2,

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1           **except for those rules that assist a teacher in gaining or**  
2           **renewing a standard or advanced license.**

3           **(g) The accountability provisions of IC 20-31-9 and this chapter**  
4           **apply to a school corporation created under section 6 of this**  
5           **chapter.**

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