



February 27, 2012

**ENGROSSED  
SENATE BILL No. 384**

DIGEST OF SB 384 (Updated February 23, 2012 5:57 pm - DI 116)

**Citations Affected:** IC 20-19; IC 20-24; IC 20-26; IC 20-27; IC 20-31; IC 20-32; IC 20-33; IC 21-12.

**Synopsis:** School accreditation. Makes various changes, beginning in 2013, to the manner in which a school may be accredited under a performance based accreditation system. Provides that a school may be accredited under a performance based accreditation system approved by the Indiana state board of education (state board) or by a national or regional accreditation agency that is approved by the state board. Provides that the state board shall establish: (1) a system for approving agencies or entities that seek to accredit schools in Indiana under this chapter; and (2) a procedure for determining whether a school is making progress toward meeting the criteria for accreditation by a national or regional accreditation agency approved by the state board. Provides that the Indiana department of education (department) shall establish a schedule for verifying compliance with legal standards and shall report noncompliance to the state board. Requires the state board to verify compliance with legal standards and to adopt rules to establish consequences of noncompliance. Requires the department to publish on its Internet web site the accreditation status and legal compliance (Continued next page)

**Effective:** Upon passage; July 1, 2012.

**Kruse, Rogers**

(HOUSE SPONSORS — BEHNING, YARDE, HEUER, PORTER)

January 9, 2012, read first time and referred to Committee on Education and Career Development.

January 26, 2012, reported favorably — Do Pass.

January 30, 2012, read second time, ordered engrossed. Engrossed.

February 1, 2012, read third time, passed. Yeas 42, nays 7.

**HOUSE ACTION**

February 13, 2012, read first time and referred to Committee on Education.

February 27, 2012, amended, reported — Do Pass.

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Digest Continued

status of each school and school corporation. Eliminates the probationary accreditation status. Provides that the department shall determine when a school or a school corporation has complied with certain legal standards. Provides that a reading deficiency remediation plan for a charter school is required to include and may only include a method for making determinant evaluations of reading skills by grade 3 and retention as a last resort for students reading below standard. Requires a student and a parent or guardian of the student to present an education plan to the principal if the student is a high school student transferring from a public school to a nonaccredited nonpublic school located in a private residence. Provides that the department may conduct an onsite evaluation of a school or school corporation to make a recommendation to the state board as to the legal compliance status of the school or school corporation. Makes conforming amendments. Sets forth provisions for the operation of a turnaround academy. Provides that a school corporation that is required to provide transportation to a nonpublic school student is required to provide the transportation to or from the point on the regular route that is nearest or most easily accessible to the nonpublic school from which the student can safely walk to and from the nonpublic school. Makes technical corrections.

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February 27, 2012

Second Regular Session 117th General Assembly (2012)

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 2011 Regular Session of the General Assembly.

## ENGROSSED SENATE BILL No. 384

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 20-19-2-8, AS AMENDED BY P.L.145-2011,  
2 SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2012]: Sec. 8. (a) In addition to any other powers and duties  
4 prescribed by law, the state board shall adopt rules under IC 4-22-2  
5 concerning, but not limited to, the following matters:  
6 (1) The designation and employment of the employees and  
7 consultants necessary for the department. The state board shall fix  
8 the compensation of employees of the department, subject to the  
9 approval of the budget committee and the governor under  
10 IC 4-12-2.  
11 (2) The establishment and maintenance of standards and  
12 guidelines for media centers, libraries, instructional materials  
13 centers, or any other area or system of areas in a school where a  
14 full range of information sources, associated equipment, and  
15 services from professional media staff are accessible to the school  
16 community. With regard to library automation systems, the state  
17 board may only adopt rules that meet the standards established by

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- 1 the state library board for library automation systems under  
 2 IC 4-23-7.1-11(b).
- 3 (3) The establishment and maintenance of standards for student  
 4 personnel and guidance services.
- 5 (4) This subdivision expires December 31, 2011. The  
 6 establishment and maintenance of minimum standards for driver  
 7 education programs (including classroom instruction and practice  
 8 driving) and equipment. Classroom instruction standards  
 9 established under this subdivision must include instruction about:  
 10 (A) railroad-highway grade crossing safety; and  
 11 (B) the procedure for participation in the human organ donor  
 12 program;  
 13 and must provide, effective July 1, 2010, that the classroom  
 14 instruction may not be provided to a child less than fifteen (15)  
 15 years and one hundred eighty (180) days of age.
- 16 (5) The inspection of all public schools in Indiana to determine  
 17 the condition of the schools. The state board shall establish  
 18 standards governing the accreditation of public schools.  
 19 Observance of:  
 20 (A) IC 20-31-4 **before July 1, 2013, or IC 20-31-4.5 after**  
 21 **June 30, 2013;**  
 22 (B) IC 20-28-5-2;  
 23 (C) IC 20-28-6-3 through IC 20-28-6-7;  
 24 (D) IC 20-28-11.5; and  
 25 (E) IC 20-31-3, IC 20-32-4, IC 20-32-5, IC 20-32-6, and  
 26 IC 20-32-8;  
 27 is a prerequisite to the accreditation of a school. Local public  
 28 school officials shall make the reports required of them and  
 29 otherwise cooperate with the state board regarding required  
 30 inspections. Nonpublic schools may also request the inspection  
 31 for classification purposes. Compliance with the building and site  
 32 guidelines adopted by the state board is not a prerequisite of  
 33 accreditation.
- 34 (6) The distribution of funds and revenues appropriated for the  
 35 support of schools in the state.
- 36 (7) The state board may not establish an accreditation system for  
 37 nonpublic schools that is less stringent than the accreditation  
 38 system for public schools.
- 39 (8) A separate system for recognizing nonpublic schools under  
 40 IC 20-19-2-10. Recognition of nonpublic schools under this  
 41 subdivision constitutes the system of regulatory standards that  
 42 apply to nonpublic schools that seek to qualify for the system of

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- 1 recognition.
- 2 (9) The establishment and enforcement of standards and
- 3 guidelines concerning the safety of students participating in
- 4 cheerleading activities.
- 5 (10) Subject to IC 20-28-2, the preparation and licensing of
- 6 teachers.
- 7 (b) Before final adoption of any rule, the state board shall make a
- 8 finding on the estimated fiscal impact that the rule will have on school
- 9 corporations.
- 10 SECTION 2. IC 20-24-8-5, AS AMENDED BY P.L.90-2011,
- 11 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 12 JULY 1, 2012]: Sec. 5. The following statutes and rules and guidelines
- 13 adopted under the following statutes apply to a charter school:
- 14 (1) IC 5-11-1-9 (required audits by the state board of accounts).
- 15 (2) IC 20-39-1-1 (unified accounting system).
- 16 (3) IC 20-35 (special education).
- 17 (4) IC 20-26-5-10 (criminal history).
- 18 (5) IC 20-26-5-6 (subject to laws requiring regulation by state
- 19 agencies).
- 20 (6) IC 20-28-10-12 (nondiscrimination for teacher marital status).
- 21 (7) IC 20-28-10-14 (teacher freedom of association).
- 22 (8) IC 20-28-10-17 (school counselor immunity).
- 23 (9) For conversion charter schools only, IC 20-28-6, IC 20-28-7.5,
- 24 IC 20-28-8, IC 20-28-9, and IC 20-28-10.
- 25 (10) IC 20-33-2 (compulsory school attendance).
- 26 (11) IC 20-33-3 (limitations on employment of children).
- 27 (12) IC 20-33-8-19, IC 20-33-8-21, and IC 20-33-8-22 (student
- 28 due process and judicial review).
- 29 (13) IC 20-33-8-16 (firearms and deadly weapons).
- 30 (14) IC 20-34-3 (health and safety measures).
- 31 (15) IC 20-33-9 (reporting of student violations of law).
- 32 (16) IC 20-30-3-2 and IC 20-30-3-4 (patriotic commemorative
- 33 observances).
- 34 (17) IC 20-31-3, IC 20-32-4, IC 20-32-5, IC 20-32-6, IC 20-32-8,
- 35 **and IC 20-32-8.5, as provided in IC 20-32-8.5-2(b) or any other**
- 36 **statute, rule, or guideline related to standardized testing**
- 37 **(assessment programs; including remediation under the**
- 38 **assessment programs): (academic standards, accreditation,**
- 39 **assessment, and remediation).**
- 40 (18) IC 20-33-7 (parental access to education records).
- 41 (19) IC 20-31 (accountability for school performance and
- 42 improvement).



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- 1 (20) IC 20-30-5-19 (personal financial responsibility instruction).  
 2 SECTION 3. IC 20-26-15-5, AS ADDED BY P.L.1-2005,  
 3 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 4 JULY 1, 2012]: Sec. 5. Notwithstanding any other law, the operation  
 5 of the following is suspended for a freeway school corporation or a  
 6 freeway school if the governing body of the school corporation elects  
 7 to have the specific statute or rule suspended in the contract:  
 8 (1) The following statutes and rules concerning curriculum and  
 9 instructional time:  
 10 IC 20-30-2-7  
 11 IC 20-30-5-8  
 12 IC 20-30-5-9  
 13 IC 20-30-5-11  
 14 511 IAC 6-7-6  
 15 ~~511 IAC 6.1-3-4~~  
 16 511 IAC 6.1-5-0.5  
 17 511 IAC 6.1-5-1  
 18 511 IAC 6.1-5-2.5  
 19 511 IAC 6.1-5-3.5  
 20 511 IAC 6.1-5-4.  
 21 (2) The following rule concerning pupil/teacher ratios:  
 22 511 IAC 6.1-4-1.  
 23 (3) The following statutes and rules concerning textbooks:  
 24 ~~IC 20-20-5-1 through IC 20-20-5-4~~  
 25 ~~IC 20-20-5-23~~  
 26 IC 20-26-12-24  
 27 IC 20-26-12-26  
 28 ~~IC 20-26-12-28~~  
 29 IC 20-26-12-1  
 30 IC 20-26-12-2  
 31 511 IAC 6.1-5-5.  
 32 (4) 511 IAC 6-7, concerning graduation requirements.  
 33 (5) IC 20-31-4 **before July 1, 2013, or IC 20-31-4.5 after June**  
 34 **30, 2013**, concerning the performance based accreditation system.  
 35 (6) IC 20-32-5, concerning the ISTEP program established under  
 36 IC 20-32-5-15, if an alternative locally adopted assessment  
 37 program is adopted under section 6(7) of this chapter.  
 38 SECTION 4. IC 20-27-11-1, AS ADDED BY P.L.1-2005,  
 39 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 40 JULY 1, 2012]: Sec. 1. (a) If a student who attends a nonpublic school  
 41 in a school corporation resides on or along the highway constituting the  
 42 regular route of a public school bus, the governing body of the school

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1 corporation shall provide transportation for the nonpublic school  
2 student on the school bus.

3 (b) The transportation provided under this section must be from the  
4 home of the nonpublic school student or from a point on the regular  
5 route nearest or most easily accessible to the home of the nonpublic  
6 school student to and from the nonpublic school or to and from the  
7 point on the regular route that is nearest or most easily accessible to the  
8 nonpublic school **from which the student can safely walk to and**  
9 **from the nonpublic school.**

10 SECTION 5. IC 20-31-2-6.4 IS ADDED TO THE INDIANA CODE  
11 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE  
12 UPON PASSAGE]: **Sec. 6.4. "Lead partner" means an organization**  
13 **that employs research based strategies to yield demonstrable and**  
14 **sustainable results.**

15 SECTION 6. IC 20-31-2-6.6 IS ADDED TO THE INDIANA CODE  
16 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE  
17 UPON PASSAGE]: **Sec. 6.6. "Operated turnaround academy"**  
18 **refers to a public elementary school or secondary school that:**

19 (1) is subject to IC 20-31-9.5 and to which the state board has  
20 assigned a special management team to serve as the public  
21 authority having administrative control and direction of the  
22 school; and

23 (2) for the purpose of federal funding only, is considered a  
24 local education agency.

25 SECTION 7. IC 20-31-2-6.8 IS ADDED TO THE INDIANA CODE  
26 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE  
27 UPON PASSAGE]: **Sec. 6.8. "Performance bond" means a surety**  
28 **bond provided by a special management team under IC 20-31-9.5-1**  
29 **to ensure that a turnaround academy will meet established**  
30 **performance targets.**

31 SECTION 8. IC 20-31-2-7.5 IS ADDED TO THE INDIANA CODE  
32 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE  
33 UPON PASSAGE]: **Sec. 7.5. "Quality review" means an evaluation**  
34 **of academic quality indicators conducted by the department and**  
35 **chosen team members of a school.**

36 SECTION 9. IC 20-31-4-18 IS ADDED TO THE INDIANA CODE  
37 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY  
38 1, 2012]: **Sec. 18. This chapter expires July 1, 2013.**

39 SECTION 10. IC 20-31-4.5 IS ADDED TO THE INDIANA CODE  
40 AS A **NEW CHAPTER** TO READ AS FOLLOWS [EFFECTIVE  
41 JULY 1, 2012]:

42 **Chapter 4.5. Performance Based Accreditation**

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- 1           **Sec. 1. This chapter applies after June 30, 2013.**  
2           **Sec. 2. As used in this chapter, "legal standards" means Indiana**  
3 **statutes and rules adopted by the state board that apply to each**  
4 **school.**  
5           **Sec. 3. (a) A school in Indiana may be accredited:**  
6           **(1) under a performance based accreditation system approved**  
7 **by the state board; or**  
8           **(2) by a national or regional accreditation agency that is**  
9 **approved by the state board.**  
10          **(b) The state board shall establish the following:**  
11          **(1) A system for approving agencies or entities that seek to**  
12 **accredit schools in Indiana under this chapter.**  
13          **(2) A procedure for determining whether a school is making**  
14 **progress toward meeting the criteria for accreditation by a**  
15 **national or regional accreditation agency approved by the**  
16 **state board.**  
17          **(c) The department shall establish a schedule for verifying**  
18 **compliance with legal standards under section 7 this chapter and**  
19 **shall report noncompliance to the state board.**  
20          **(d) The state board shall verify compliance with legal standards**  
21 **and shall adopt rules to establish consequences for noncompliance.**  
22 **Consequences for failure to comply with legal standards may**  
23 **include but are not limited to compliance reports to the board,**  
24 **withholding of state tuition support payments, or other actions**  
25 **considered appropriate by the board to facilitate compliance with**  
26 **the legal standards.**  
27          **(e) The department shall establish a schedule for accreditation**  
28 **by approved agencies or entities under subsection (b).**  
29          **(f) The department shall publish on its Internet web site the**  
30 **accreditation status and legal compliance status of each school and**  
31 **school corporation.**  
32          **Sec. 4. The state board shall recognize the following**  
33 **accreditation levels:**  
34          **(1) Full accreditation status.**  
35          **(2) Not fully accredited.**  
36          **Sec. 5. (a) When all the schools in a school corporation achieve**  
37 **full accreditation status, the department shall recognize full**  
38 **accreditation status of the school corporation.**  
39          **(b) When a school has received accreditation from an**  
40 **accrediting agency approved by the state board, the department**  
41 **shall recognize the full accreditation status of the school.**  
42          **Sec. 6. The state board shall determine which of the benchmarks**

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1 and indicators of performance listed in IC 20-20-8-8 are  
 2 appropriate benchmarks to be followed by an accrediting agency  
 3 when accrediting schools.

4 **Sec. 7. The department shall determine whether a school and a**  
 5 **school corporation have complied with the following legal**  
 6 **standards:**

- 7 (1) Health and safety requirements.  
 8 (2) Minimum time requirements for school activity.  
 9 (3) Curriculum offerings.  
 10 (4) Development and implementation of a staff evaluation  
 11 plan under IC 20-28-11.5.  
 12 (5) Completion of a school improvement plan that complies  
 13 with requirements developed by the state board and:  
 14 (A) focuses on student academic performance and growth;  
 15 and  
 16 (B) is consistent with metrics for improvement.  
 17 (6) Local salary scale under IC 20-28-9-1.

18 **Sec. 8. (a) If the department verifies that a school or a school**  
 19 **corporation has not complied with all the legal standards under**  
 20 **section 7 of this chapter, the department may conduct an onsite**  
 21 **evaluation of the school or school corporation to make a**  
 22 **recommendation to the state board as to the legal compliance**  
 23 **status of the school or school corporation.**

24 (b) The department may not publish or otherwise make  
 25 available for public inspection any information concerning a  
 26 school's compliance with legal standards under section 7 of this  
 27 chapter, the meeting of performance expectations under section 6  
 28 of this chapter, the assignment of an onsite review panel by the  
 29 department under this section, or the recommended accreditation  
 30 status of the school until all onsite reviews have taken place and  
 31 recommendations to the state board concerning the accreditation  
 32 status of the school have been made.

33 **Sec. 9. During its onsite evaluation, the department shall verify**  
 34 **compliance with the legal standards for accreditation under section**  
 35 **7 of this chapter.**

36 **Sec. 10. Upon receipt of the department's recommendation**  
 37 **under section 8 of this chapter, the state board shall compel the**  
 38 **school's or school corporation's compliance with legal standards.**  
 39 **If a school or school corporation refuses to come into compliance,**  
 40 **it shall be recognized as not fully accredited.**

41 **Sec. 11. The state board shall adopt rules under IC 4-22-2**  
 42 **necessary to implement this chapter.**

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1 SECTION 11. IC 20-31-9.5-1, AS ADDED BY P.L.229-2011,  
 2 SECTION 190, IS AMENDED TO READ AS FOLLOWS  
 3 [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) None of the following  
 4 may be considered a school employer under IC 20-29-6 with respect to  
 5 a turnaround academy:

6 (1) The state.

7 (2) The state board.

8 (3) A special management team assigned by the state board under  
 9 ~~IC 20-31-9-4~~ **IC 20-31-9** to operate a school as a turnaround  
 10 academy.

11 (b) A special management team assigned under ~~IC 20-31-9-4~~  
 12 **IC 20-31-9** to operate a school as a turnaround academy shall make all  
 13 personnel decisions in the school. In operating the school as a  
 14 turnaround academy under this chapter, the special management team  
 15 is not bound by a contract entered into under IC 20-29.

16 **(c) A special management team is not required to employ**  
 17 **teachers and administrators through teacher contracts established**  
 18 **by the state superintendent under IC 20-28-6-3.**

19 **(d) A special management team may exercise any authority**  
 20 **granted by the state board under IC 20-31-9.**

21 **(e) If the state board enters into a contract with a special**  
 22 **management team under this chapter, the state board may require**  
 23 **the special management team to secure a performance bond, in an**  
 24 **amount determined by the state board, before the contract is**  
 25 **finalized.**

26 SECTION 12. IC 20-31-9.5-3, AS ADDED BY P.L.229-2011,  
 27 SECTION 190, IS AMENDED TO READ AS FOLLOWS  
 28 [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) Turnaround academies  
 29 are eligible to receive building and technology loans administered by  
 30 the state board from the common school fund.

31 (b) A student who attends a turnaround academy or another school  
 32 subject to intervention under this chapter remains, under IC 20-43-4-1,  
 33 an eligible pupil of the school corporation where the student has legal  
 34 settlement.

35 (c) The state board, based upon recommendations received from the  
 36 department, shall determine the amounts of state tuition support and  
 37 federal funds that are necessary to fund options for improvement  
 38 implemented by the state board under this chapter with respect to each  
 39 turnaround academy.

40 (d) The department shall do the following:

41 (1) Withhold from state tuition support and federal funds  
 42 otherwise to be distributed to the school corporation of the school

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1 operated as a turnaround academy under this chapter the amount  
 2 determined under subsection (c) for the affected students. The  
 3 amount withheld under this subdivision may not exceed the total  
 4 per pupil funding for the affected students. **Tuition support**  
 5 **includes basic tuition support (as defined in IC 20-43-6),**  
 6 **special education grants (as defined in IC 20-43-7), career and**  
 7 **technical education grants (as defined in IC 20-43-8),**  
 8 **primetime program funds (as defined in IC 20-43-9), other**  
 9 **tuition support grants (as defined in IC 20-43-10), and any**  
 10 **grants funded by the general assembly that are attributable**  
 11 **to the affected students.**

12 (2) Enter into any contracts necessary to implement the options  
 13 for improvement implemented for the school by the state board,  
 14 including contracts with a special management team assigned  
 15 under ~~IC 20-31-9-4~~ **IC 20-31-9** to operate the school as a **an**  
 16 **operated** turnaround academy.

17 (3) Make payments under the contracts entered into under  
 18 subdivision (2) with funds withheld from the school corporation  
 19 under subdivision (1).

20 SECTION 13. IC 20-31-9.5-4, AS ADDED BY P.L.229-2011,  
 21 SECTION 190, IS AMENDED TO READ AS FOLLOWS  
 22 [EFFECTIVE UPON PASSAGE]: Sec. 4. **(a) Except as provided in**  
 23 **subsection (e), any student who lives in the attendance area served by**  
 24 **a school that is operated as a turnaround academy under this chapter**  
 25 **may attend the turnaround academy. The turnaround academy may not**  
 26 **refuse enrollment to a student who lives in the attendance area.**

27 **(b) A turnaround academy may enroll a student who resides**  
 28 **anywhere in Indiana.**

29 **(c) If a student who attends a turnaround academy and does not**  
 30 **live in the attendance zone served by the turnaround academy**  
 31 **chooses to participate in academic or athletic offerings, the**  
 32 **transferor school corporation or an association (as defined in**  
 33 **IC 20-26-14-1) may not inhibit the student's ability to participate**  
 34 **in any level of academic or athletic offerings of the turnaround**  
 35 **academy, unless the transfer is a result of undue influence by the**  
 36 **turnaround academy's administrators or athletic coaches.**

37 **(d) A school corporation is not required to provide**  
 38 **transportation for a student who attends a turnaround academy**  
 39 **and does not live in the attendance zone served by the turnaround**  
 40 **academy, except as required under 42 U.S.C. 11431, any applicable**  
 41 **court desegregation order, or the individual education plan of a**  
 42 **student who receives special education services as required under**

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**34 CFR 300 and 511 IAC 7.**

**(e) Subsection (a) does not apply to a magnet school that becomes a turnaround academy. A magnet school that becomes a turnaround academy shall continue to apply the admissions policies previously established for and consistent with the operation of the magnet school.**

SECTION 14. IC 20-31-9.5-7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 7. (a) A school corporation shall continue debt service payments on school corporation debt that is attributable to a turnaround academy.**

**(b) If the state board assigns a special management team to a school, the state board shall determine the appropriate parties to enter into a contract that includes the following provisions:**

- (1) The length of the contract.**
- (2) The level of services provided.**
- (3) The entity responsible for providing necessary services to the school and students in the school.**
- (4) Any other provisions the parties consider necessary.**

**(c) If the state board assigns a lead partner to a school, the department, the lead partner, and the school corporation shall enter into a contract that includes the following provisions:**

- (1) The length of the contract.**
- (2) Consideration.**
- (3) Performance goals, which may not be less rigorous than those established under IC 20-31-8.**
- (4) Cancellation procedures.**
- (5) Renewal procedures.**
- (6) Any other provisions the department and the special management team consider necessary.**

**(d) A special management team and a school corporation may enter into a contract for the school corporation to provide any services for a school that are in the best interest of the students who attend the school. A contract must specify the length of time, level of services, and entity responsible for providing necessary services, including the following services:**

- (1) Food service.**
- (2) Educational and administrative technology and technology support.**
- (3) Special education services.**
- (4) Career and technical education services.**
- (5) Custodial services.**

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- 1           **(6) Instructional services in a particular curriculum area.**
- 2           **(7) Textbooks and supplemental materials.**
- 3           **(8) Student services.**
- 4           **(9) Police and probation services.**
- 5           **(10) Any other provisions the school corporation and the**
- 6           **special management team consider necessary.**

7           **(e) A school corporation and a special management team may**  
 8           **enter into a contract for additional services.**

9           **(f) The state board shall resolve any disputes that arise in the**  
 10           **negotiation or execution of a contract under subsections (b), (c),**  
 11           **(d), and (e). The decision of the state board is the final**  
 12           **administrative decision.**

13           **(g) A school corporation in which a special management team**  
 14           **is assigned to operate an operated turnaround academy shall offer**  
 15           **the special management team the opportunity to assume any lease**  
 16           **or contract for equipment, including photocopying equipment and**  
 17           **computer hardware.**

18           SECTION 15. IC 20-31-9.5-8 IS ADDED TO THE INDIANA  
 19           CODE AS A NEW SECTION TO READ AS FOLLOWS  
 20           [EFFECTIVE UPON PASSAGE]: **Sec. 8. (a) A special management**  
 21           **team shall employ teachers, other school employees, and**  
 22           **independent contractors that are:**

23           **(1) described in the contract between the department and the**  
 24           **special management team; and**

25           **(2) necessary for the special management team to fulfill the**  
 26           **special management team's responsibilities under this**  
 27           **chapter.**

28           **(b) Individuals employed by the special management team**  
 29           **under this section are entitled to participate in insurance benefits**  
 30           **offered by the special management team or offered to state**  
 31           **employees.**

32           **(c) Individuals employed by the special management team under**  
 33           **this section are entitled to participate in:**

34           **(1) a retirement program offered by the special management**  
 35           **team;**

36           **(2) the state teachers' retirement fund created by IC 5-10.4;**  
 37           **or**

38           **(3) the public employees' retirement fund created by**  
 39           **IC 5-10.3.**

40           SECTION 16. IC 20-31-9.5-9 IS ADDED TO THE INDIANA  
 41           CODE AS A NEW SECTION TO READ AS FOLLOWS  
 42           [EFFECTIVE UPON PASSAGE]: **Sec. 9. (a) A school corporation**

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1 may not take an action adverse to a special management team's  
 2 operation of a school, services provided by lead partners, or  
 3 implementation of an intervention ordered by the state board.

4 (b) A school corporation may not take an action to dispose of or  
 5 cloud the title of real property on which a school that is subject to  
 6 this chapter is located.

7 (c) A school corporation may not remove or dispose of personal  
 8 property located in, or located outside and assigned to, a school  
 9 that is subject to this chapter.

10 (d) If the state board determines that a school corporation has  
 11 taken an action prohibited under subsections (a) through (c), the  
 12 state board may take one (1) or more of the following actions:

13 (1) Order the department to withhold federal or state funds to  
 14 which the school corporation would otherwise be entitled to  
 15 facilitate the full implementation of the special management  
 16 team's operation of a school, the lead partner's assistance, or  
 17 other intervention.

18 (2) Authorize the department to pursue any available legal or  
 19 equitable remedies.

20 (3) Amend the intervention.

21 (4) Order the special management team or lead partner to  
 22 carry out the intervention notwithstanding the school  
 23 corporation's adverse action.

24 SECTION 17. IC 20-31-9.5-10 IS ADDED TO THE INDIANA  
 25 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 26 [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) A school corporation  
 27 may not change the assignment of students to schools in the school  
 28 corporation in a manner that changes significantly the number or  
 29 grade levels of students assigned to a school that is subject to this  
 30 chapter without the agreement of the special management team  
 31 assigned to the school.

32 (b) If the special management team agrees to accept additional  
 33 students under this chapter, the special management team may  
 34 apply to the state board for, and the state board may determine  
 35 that the special management team needs, additional funds to  
 36 operate the school.

37 (c) The department shall:

38 (1) withhold the amount of funds determined under  
 39 subsection (b) from state support that would otherwise be  
 40 distributed to the school corporation; and

41 (2) distribute the amount of funds determined under  
 42 subsection (b) to the special management team.

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1 SECTION 18. IC 20-31-9.5-11 IS ADDED TO THE INDIANA  
2 CODE AS A NEW SECTION TO READ AS FOLLOWS  
3 [EFFECTIVE UPON PASSAGE]: **Sec. 11. (a) A special management**  
4 **team shall comply with IC 5-14-1.5 and IC 5-14-3.**

5 **(b) A special management team shall comply with the financial**  
6 **reporting requirements established by the state board of accounts**  
7 **under IC 5-11-1.**

8 SECTION 19. IC 20-32-8.5-2, AS ADDED BY P.L.109-2010,  
9 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
10 JULY 1, 2012]: Sec. 2. **(a) The plan required by this chapter must**  
11 **include the following:**

- 12 (1) Reading skill standards for grade 1 through grade 3.
- 13 (2) An emphasis on a method for making determinant evaluations
- 14 by grade 3 that might require remedial action for the student,
- 15 including retention as a last resort, after other methods of
- 16 remediation have been evaluated or used, or both, if reading skills
- 17 are below the standard. Appropriate consultation with parents or
- 18 guardians must be part of the plan.
- 19 (3) The fiscal impact of each component of the plan, if any. In
- 20 determining whether a component has a fiscal impact,
- 21 consideration shall be given to whether the component will
- 22 increase costs to the state or a school corporation or require the
- 23 state or school corporation to reallocate resources.

24 **(b) For a charter school, as defined in IC 20-24-1-4, the plan**  
25 **must include and may only include a method for making**  
26 **determinant evaluations of reading skills by grade 3 and retention**  
27 **as a last resort for students reading below standard as measured**  
28 **by the evaluation or assessment.**

29 SECTION 20. IC 20-33-2-28.6 IS ADDED TO THE INDIANA  
30 CODE AS A NEW SECTION TO READ AS FOLLOWS  
31 [EFFECTIVE JULY 1, 2012]: **Sec. 28.6. (a) This section applies to a**  
32 **high school student who is transferring to a nonaccredited**  
33 **nonpublic school located in a private residence.**

34 **(b) Before a student withdraws from a public school, the student**  
35 **and the parent or guardian of the student must present an**  
36 **education plan to the principal of the public school. The principal**  
37 **must inform the student and the parent or guardian of the student**  
38 **of the parent's or guardian's minimum educational responsibilities**  
39 **for the student, including compulsory attendance, and that failure**  
40 **to ensure compliance with the minimum educational**  
41 **responsibilities could result in a charge of neglect of a dependent**  
42 **under IC 35-46-1-4. If the student and the parent or guardian of**

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1 **the student fail to provide an education plan to the principal, the**  
2 **principal shall report the student to the bureau of motor vehicles**  
3 **for action under section 28.5(g) of this chapter.**

4 SECTION 21. IC 21-12-6-5, AS AMENDED BY P.L.169-2011,  
5 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
6 JULY 1, 2012]: Sec. 5. (a) To qualify to participate in the program, a  
7 student must meet the following requirements:

- 8 (1) Be a resident of Indiana.
- 9 (2) Be:
  - 10 (A) enrolled in grade 7 or 8 at a:
    - 11 (i) public school; or
    - 12 (ii) nonpublic school that is accredited either by the state
    - 13 board of education or by a national or regional accrediting
    - 14 agency whose accreditation is accepted as a school
    - 15 improvement plan under IC 20-31-4-2 **before July 1, 2013,**
    - 16 **or IC 20-31-4.5-3 after June 30, 2013;** or
    - 17 (B) otherwise qualified under the rules of the commission that
    - 18 are adopted under IC 21-11-9-4 to include students who are in
    - 19 grades other than grade 8 as eligible students.
  - 20 (3) Be a member of a household with an annual income of not
  - 21 more than the amount required for the individual to qualify for
  - 22 free or reduced priced lunches under the national school lunch
  - 23 program, as determined for the immediately preceding taxable
  - 24 year for the household.
  - 25 (4) Agree, in writing, together with the student's custodial parents
  - 26 or guardian, that the student will:
    - 27 (A) graduate from a secondary school located in Indiana that
    - 28 meets the admission criteria of an eligible institution;
    - 29 (B) not illegally use controlled substances (as defined in
    - 30 IC 35-48-1-9);
    - 31 (C) not commit a crime or an infraction described in
    - 32 IC 9-30-5;
    - 33 (D) not commit any other crime or delinquent act (as described
    - 34 in IC 31-37-1-2 or IC 31-37-2-2 through IC 31-37-2-5 (or
    - 35 IC 31-6-4-1(a)(1) through IC 31-6-4-1(a)(5) before their
    - 36 repeal));
    - 37 (E) timely apply, when the eligible student is a senior in high
    - 38 school:
      - 39 (i) for admission to an eligible institution; and
      - 40 (ii) for any federal and state student financial assistance
      - 41 available to the eligible student to attend an eligible
      - 42 institution;

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- 1 (F) achieve a cumulative grade point average upon graduation
- 2 of:
- 3 (i) at least 2.0, if the student graduates from high school
- 4 before July 1, 2014; and
- 5 (ii) at least 2.5, if the student graduates from high school
- 6 after June 30, 2014;
- 7 on a 4.0 grading scale (or its equivalent if another grading
- 8 scale is used) for courses taken during grades 9, 10, 11, and
- 9 12; and
- 10 (G) participate in an academic success program required under
- 11 the rules adopted by the commission and the commission for
- 12 higher education, if the student initially enrolls in the program
- 13 after June 30, 2011.
- 14 (b) A student is also qualified to participate in the program if the
- 15 student:
- 16 (1) before or during grade 7 or grade 8, is placed by or with the
- 17 consent of the department of child services, by a court order, or by
- 18 a child placing agency in:
- 19 (A) a foster family home;
- 20 (B) the home of a relative or other unlicensed caretaker;
- 21 (C) a child caring institution; or
- 22 (D) a group home;
- 23 (2) agrees in writing, together with the student's caseworker (as
- 24 defined in IC 31-9-2-11), to the conditions set forth in subsection
- 25 (a)(4); and
- 26 (3) except as provided in subdivision (2), otherwise meets the
- 27 requirements of subsection (a).
- 28 (c) The commission may require that an applicant apply
- 29 electronically to participate in the program using an online Internet
- 30 application on the commission's web site.
- 31 **SECTION 22. An emergency is declared for this act.**

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## COMMITTEE REPORT

Madam President: The Senate Committee on Education and Career Development, to which was referred Senate Bill No. 384, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to Senate Bill 384 as introduced.)

KRUSE, Chairperson

Committee Vote: Yeas 8, Nays 1.

## COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred Senate Bill 384, 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 3, delete lines 10 through 22.

Page 3, between lines 22 and 23, begin a new paragraph and insert:

"SECTION 3. IC 20-24-8-5, AS AMENDED BY P.L.90-2011, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 5. The following statutes and rules and guidelines adopted under the following statutes apply to a charter school:

- (1) IC 5-11-1-9 (required audits by the state board of accounts).
- (2) IC 20-39-1-1 (unified accounting system).
- (3) IC 20-35 (special education).
- (4) IC 20-26-5-10 (criminal history).
- (5) IC 20-26-5-6 (subject to laws requiring regulation by state agencies).
- (6) IC 20-28-10-12 (nondiscrimination for teacher marital status).
- (7) IC 20-28-10-14 (teacher freedom of association).
- (8) IC 20-28-10-17 (school counselor immunity).
- (9) For conversion charter schools only, IC 20-28-6, IC 20-28-7.5, IC 20-28-8, IC 20-28-9, and IC 20-28-10.
- (10) IC 20-33-2 (compulsory school attendance).
- (11) IC 20-33-3 (limitations on employment of children).
- (12) IC 20-33-8-19, IC 20-33-8-21, and IC 20-33-8-22 (student due process and judicial review).
- (13) IC 20-33-8-16 (firearms and deadly weapons).
- (14) IC 20-34-3 (health and safety measures).
- (15) IC 20-33-9 (reporting of student violations of law).

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(16) IC 20-30-3-2 and IC 20-30-3-4 (patriotic commemorative observances).

(17) IC 20-31-3, IC 20-32-4, IC 20-32-5, IC 20-32-6, IC 20-32-8, **and IC 20-32-8.5, as provided in IC 20-32-8.5-2(b) or any other statute, rule, or guideline related to standardized testing (assessment programs, including remediation under the assessment programs): (academic standards, accreditation, assessment, and remediation).**

(18) IC 20-33-7 (parental access to education records).

(19) IC 20-31 (accountability for school performance and improvement).

(20) IC 20-30-5-19 (personal financial responsibility instruction)."

Page 4, between lines 16 and 17, begin a new paragraph and insert:

"SECTION 4. IC 20-27-11-1, AS ADDED BY P.L.1-2005, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 1. (a) If a student who attends a nonpublic school in a school corporation resides on or along the highway constituting the regular route of a public school bus, the governing body of the school corporation shall provide transportation for the nonpublic school student on the school bus.

(b) The transportation provided under this section must be from the home of the nonpublic school student or from a point on the regular route nearest or most easily accessible to the home of the nonpublic school student to and from the nonpublic school or to and from the point on the regular route that is nearest or most easily accessible to the nonpublic school **from which the student can safely walk to and from the nonpublic school.**

SECTION 5. IC 20-31-2-6.4 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 6.4. "Lead partner" means an organization that employs research based strategies to yield demonstrable and sustainable results.**

SECTION 6. IC 20-31-2-6.6 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 6.6. "Operated turnaround academy" refers to a public elementary school or secondary school that:**

**(1) is subject to IC 20-31-9.5 and to which the state board has assigned a special management team to serve as the public authority having administrative control and direction of the school; and**

**(2) for the purpose of federal funding only, is considered a**

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**local education agency.**

SECTION 7. IC 20-31-2-6.8 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE UPON PASSAGE]: **Sec. 6.8. "Performance bond" means a surety bond provided by a special management team under IC 20-31-9.5-1 to ensure that a turnaround academy will meet established performance targets.**

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

Page 6, between lines 23 and 24, begin a new paragraph and insert:  
"SECTION 11. IC 20-31-9.5-1, AS ADDED BY P.L.229-2011, SECTION 190, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) None of the following may be considered a school employer under IC 20-29-6 with respect to a turnaround academy:

- (1) The state.
- (2) The state board.
- (3) A special management team assigned by the state board under ~~IC 20-31-9-4~~ **IC 20-31-9** to operate a school as a turnaround academy.

(b) A special management team assigned under ~~IC 20-31-9-4~~ **IC 20-31-9** to operate a school as a turnaround academy shall make all personnel decisions in the school. In operating the school as a turnaround academy under this chapter, the special management team is not bound by a contract entered into under IC 20-29.

**(c) A special management team is not required to employ teachers and administrators through teacher contracts established by the state superintendent under IC 20-28-6-3.**

**(d) A special management team may exercise any authority granted by the state board under IC 20-31-9.**

**(e) If the state board enters into a contract with a special management team under this chapter, the state board may require the special management team to secure a performance bond, in an amount determined by the state board, before the contract is finalized.**

SECTION 12. IC 20-31-9.5-3, AS ADDED BY P.L.229-2011, SECTION 190, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) Turnaround academies are eligible to receive building and technology loans administered by

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the state board from the common school fund.

(b) A student who attends a turnaround academy or another school subject to intervention under this chapter remains, under IC 20-43-4-1, an eligible pupil of the school corporation where the student has legal settlement.

(c) The state board, based upon recommendations received from the department, shall determine the amounts of state tuition support and federal funds that are necessary to fund options for improvement implemented by the state board under this chapter with respect to each turnaround academy.

(d) The department shall do the following:

(1) Withhold from state tuition support and federal funds otherwise to be distributed to the school corporation of the school operated as a turnaround academy under this chapter the amount determined under subsection (c) for the affected students. The amount withheld under this subdivision may not exceed the total per pupil funding for the affected students. **Tuition support includes basic tuition support (as defined in IC 20-43-6), special education grants (as defined in IC 20-43-7), career and technical education grants (as defined in IC 20-43-8), primetime program funds (as defined in IC 20-43-9), other tuition support grants (as defined in IC 20-43-10), and any grants funded by the general assembly that are attributable to the affected students.**

(2) Enter into any contracts necessary to implement the options for improvement implemented for the school by the state board, including contracts with a special management team assigned under ~~IC 20-31-9-4~~ **IC 20-31-9** to operate the school as a **an operated** turnaround academy.

(3) Make payments under the contracts entered into under subdivision (2) with funds withheld from the school corporation under subdivision (1).

SECTION 13. IC 20-31-9.5-4, AS ADDED BY P.L.229-2011, SECTION 190, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. **(a) Except as provided in subsection (e)**, any student who lives in the attendance area served by a school that **is** operated as a turnaround academy under this chapter may attend the turnaround academy. The turnaround academy may not refuse enrollment to a student who lives in the attendance area.

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

**(c) If a student who attends a turnaround academy and does not**

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live in the attendance zone served by the turnaround academy chooses to participate in academic or athletic offerings, the transferor school corporation or an association (as defined in IC 20-26-14-1) may not inhibit the student's ability to participate in any level of academic or athletic offerings of the turnaround academy, unless the transfer is a result of undue influence by the turnaround academy's administrators or athletic coaches.

(d) A school corporation is not required to provide transportation for a student who attends a turnaround academy and does not live in the attendance zone served by the turnaround academy, except as required under 42 U.S.C. 11431, any applicable court desegregation order, or the individual education plan of a student who receives special education services as required under 34 CFR 300 and 511 IAC 7.

(e) Subsection (a) does not apply to a magnet school that becomes a turnaround academy. A magnet school that becomes a turnaround academy shall continue to apply the admissions policies previously established for and consistent with the operation of the magnet school.

SECTION 14. IC 20-31-9.5-7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) A school corporation shall continue debt service payments on school corporation debt that is attributable to a turnaround academy.

(b) If the state board assigns a special management team to a school, the state board shall determine the appropriate parties to enter into a contract that includes the following provisions:

- (1) The length of the contract.
- (2) The level of services provided.
- (3) The entity responsible for providing necessary services to the school and students in the school.
- (4) Any other provisions the parties consider necessary.

(c) If the state board assigns a lead partner to a school, the department, the lead partner, and the school corporation shall enter into a contract that includes the following provisions:

- (1) The length of the contract.
- (2) Consideration.
- (3) Performance goals, which may not be less rigorous than those established under IC 20-31-8.
- (4) Cancellation procedures.
- (5) Renewal procedures.
- (6) Any other provisions the department and the special



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management team consider necessary.

(d) A special management team and a school corporation may enter into a contract for the school corporation to provide any services for a school that are in the best interest of the students who attend the school. A contract must specify the length of time, level of services, and entity responsible for providing necessary services, including the following services:

- (1) Food service.
- (2) Educational and administrative technology and technology support.
- (3) Special education services.
- (4) Career and technical education services.
- (5) Custodial services.
- (6) Instructional services in a particular curriculum area.
- (7) Textbooks and supplemental materials.
- (8) Student services.
- (9) Police and probation services.
- (10) Any other provisions the school corporation and the special management team consider necessary.

(e) A school corporation and a special management team may enter into a contract for additional services.

(f) The state board shall resolve any disputes that arise in the negotiation or execution of a contract under subsections (b), (c), (d), and (e). The decision of the state board is the final administrative decision.

(g) A school corporation in which a special management team is assigned to operate an operated turnaround academy shall offer the special management team the opportunity to assume any lease or contract for equipment, including photocopying equipment and computer hardware.

SECTION 15. IC 20-31-9.5-8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 8. (a) A special management team shall employ teachers, other school employees, and independent contractors that are:**

- (1) described in the contract between the department and the special management team; and
- (2) necessary for the special management team to fulfill the special management team's responsibilities under this chapter.

(b) Individuals employed by the special management team under this section are entitled to participate in insurance benefits



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offered by the special management team or offered to state employees.

(c) Individuals employed by the special management team under this section are entitled to participate in:

- (1) a retirement program offered by the special management team;
- (2) the state teachers' retirement fund created by IC 5-10.4; or
- (3) the public employees' retirement fund created by IC 5-10.3.

SECTION 16. IC 20-31-9.5-9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 9. (a) A school corporation may not take an action adverse to a special management team's operation of a school, services provided by lead partners, or implementation of an intervention ordered by the state board.**

(b) A school corporation may not take an action to dispose of or cloud the title of real property on which a school that is subject to this chapter is located.

(c) A school corporation may not remove or dispose of personal property located in, or located outside and assigned to, a school that is subject to this chapter.

(d) If the state board determines that a school corporation has taken an action prohibited under subsections (a) through (c), the state board may take one (1) or more of the following actions:

- (1) Order the department to withhold federal or state funds to which the school corporation would otherwise be entitled to facilitate the full implementation of the special management team's operation of a school, the lead partner's assistance, or other intervention.
- (2) Authorize the department to pursue any available legal or equitable remedies.
- (3) Amend the intervention.
- (4) Order the special management team or lead partner to carry out the intervention notwithstanding the school corporation's adverse action.

SECTION 17. IC 20-31-9.5-10 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 10. (a) A school corporation may not change the assignment of students to schools in the school corporation in a manner that changes significantly the number or grade levels of students assigned to a school that is subject to this**

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chapter without the agreement of the special management team assigned to the school.

**(b) If the special management team agrees to accept additional students under this chapter, the special management team may apply to the state board for, and the state board may determine that the special management team needs, additional funds to operate the school.**

**(c) The department shall:**

**(1) withhold the amount of funds determined under subsection (b) from state support that would otherwise be distributed to the school corporation; and**

**(2) distribute the amount of funds determined under subsection (b) to the special management team.**

SECTION 18. IC 20-31-9.5-11 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 11. (a) A special management team shall comply with IC 5-14-1.5 and IC 5-14-3.**

**(b) A special management team shall comply with the financial reporting requirements established by the state board of accounts under IC 5-11-1.**

SECTION 19. IC 20-32-8.5-2, AS ADDED BY P.L.109-2010, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 2. (a) The plan required by this chapter must include the following:**

**(1) Reading skill standards for grade 1 through grade 3.**

**(2) An emphasis on a method for making determinant evaluations by grade 3 that might require remedial action for the student, including retention as a last resort, after other methods of remediation have been evaluated or used, or both, if reading skills are below the standard. Appropriate consultation with parents or guardians must be part of the plan.**

**(3) The fiscal impact of each component of the plan, if any. In determining whether a component has a fiscal impact, consideration shall be given to whether the component will increase costs to the state or a school corporation or require the state or school corporation to reallocate resources.**

**(b) For a charter school, as defined in IC 20-24-1-4, the plan must include and may only include a method for making determinant evaluations of reading skills by grade 3 and retention as a last resort for students reading below standard as measured by the evaluation or assessment.**

SECTION 20. IC 20-33-2-28.6 IS ADDED TO THE INDIANA

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CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 28.6. (a) This section applies to a high school student who is transferring to a nonaccredited nonpublic school located in a private residence.**

**(b) Before a student withdraws from a public school, the student and the parent or guardian of the student must present an education plan to the principal of the public school. The principal must inform the student and the parent or guardian of the student of the parent's or guardian's minimum educational responsibilities for the student, including compulsory attendance, and that failure to ensure compliance with the minimum educational responsibilities could result in a charge of neglect of a dependent under IC 35-46-1-4. If the student and the parent or guardian of the student fail to provide an education plan to the principal, the principal shall report the student to the bureau of motor vehicles for action under section 28.5(g) of this chapter."**

Page 8, after line 8, begin a new paragraph and insert:

**"SECTION 24. An emergency is declared for this act."**

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 384 as printed January 27, 2012.)

BEHNING, Chair

Committee Vote: yeas 7, nays 3.

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