



January 23, 2012

HOUSE BILL No. 1324

DIGEST OF HB 1324 (Updated January 20, 2012 4:26 pm - DI 116)

Citations Affected: IC 20-23; IC 20-25; IC 20-31.

Synopsis: School accountability and turnaround academies. Requires the state board of education (state board) 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. Sets forth provisions concerning the operation of a turnaround academy and an independent school. Creates a designation of "high performing school corporation", and provides that certain statutes and rules may be waived for a high performing school corporation. Requires the state board to develop and perform an annual analysis showing how school corporation spending correlates to student progress. Requires the department of education to include a copy of the annual analysis on the department's Internet web site. Requires a governing body of a school corporation in the first year that the school corporation is placed in the lowest two categories or designations of improvement to hold a public hearing. Requires the governing body to revise a school's strategic and continuous school improvement plan. Requires a state board to assign an expert team to review a school corporation in the second year that the school corporation is placed in the lowest two categories or designations of improvement. Requires the state board to hold a public meeting to consider state intervention in the third year that the school corporation is placed in the lowest category or designation of improvement. Requires the state board to hold a public meeting to consider state intervention in the fourth year that the school corporation

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Effective: July 1, 2012.

Behning

January 11, 2012, read first time and referred to Committee on Education.
January 23, 2012, amended, reported — Do Pass.

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Digest Continued

is placed in the lowest two categories or designations of improvement. Provides that after the public meeting, the state board may: (1) merge the school corporation with a nearby school corporation; (2) assign a special management team or lead partner to operate all or part of the school corporation; (3) implement the department's recommendations for improving the school corporation; (4) dissolve the governing board of the school corporation and install a state appointed board; (5) transfer the school corporation's authority to another entity; (6) require state board approval of the school corporation's annual budget; or (7) implement other options for school corporation intervention. Makes conforming amendments.

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January 23, 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.

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HOUSE BILL No. 1324

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 20-23-4-28, AS ADDED BY P.L.1-2005,
2 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2012]: Sec. 28. (a) Subsections (b) through (g) do not apply
4 to a community school corporation created before March 12, 1965. A
5 community school corporation created before March 12, 1965, shall
6 operate in accordance with the plan under which it was created and the
7 statutes applicable to that plan, as if Acts 1965, c.336, s.4 had not been
8 enacted.
9 (b) If the members of the governing body are to be appointed, they
10 shall be appointed in accordance with one (1) of the options described
11 in subsection (c). The option must be set out in the plan with sufficient
12 description to permit the plan to be operable with respect to each
13 community school corporation. The description may be partly or wholly
14 by reference to the applicable option provided in this section.
15 (c) The options described in subsection (b) are the following:
16 (1) Members of the governing body may reside anywhere in the
17 community school corporation.

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- 1 (2) The community school corporation shall be divided into two
 2 (2) or more governing body member districts, any one (1) of
 3 which may embrace the entire community school corporation.
 4 Each member:
 5 (A) serves from a particular district; and
 6 (B) must be a resident of the district.
 7 The plan must set out the number to be appointed from each
 8 district and may provide for an equal number of members from
 9 each district.
 10 (d) The plan, under either option in subsection (c), may provide that
 11 the first appointments of the governing body members are for staggered
 12 terms of not more than four (4) years. Thereafter, **except as provided**
 13 **in IC 20-31-9-14 and IC 20-31-9-15**, appointments shall be made for
 14 terms of four (4) years. All terms of office for appointive governing
 15 body members expire June 30 in the applicable year.
 16 (e) A plan providing for the appointment of members of the
 17 governing body must designate the appointing authority. The authority
 18 may be the same for each governing body member and must be one (1)
 19 or more of the following:
 20 (1) The judge of the circuit or superior court.
 21 (2) The city executive.
 22 (3) The legislative body of a city.
 23 (4) The board of commissioners of a county.
 24 (5) The county fiscal body.
 25 (6) The town legislative body.
 26 (7) The township executive.
 27 (8) The township legislative body.
 28 (9) A township executive and legislative body jointly.
 29 (10) More than one (1) township executive and legislative body
 30 jointly.
 31 (f) If an appointment is to be made by:
 32 (1) a body, the appointment must be made by a majority vote of
 33 the body in official session;
 34 (2) township executives, the appointment must be made by a
 35 majority vote of the executives taken in joint session; and
 36 (3) township legislative bodies, the appointment must be made by
 37 a majority vote of the total number of township legislative body
 38 members by a majority vote of the members, taken in joint
 39 session.
 40 (g) If a member of the governing body, whether of the interim
 41 governing body or regular governing body, is to be appointed, and the
 42 beginning of the appointive member's term of office coincides with the

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1 date an individual assumes the office of the official who is to make the
 2 appointment, the appointment shall be made by the latter individual. If
 3 the appointing official or body fails to appoint a member of the first
 4 governing body within five (5) days after a community school
 5 corporation comes into being, or, for members appointed after the first
 6 board is appointed, within five (5) days after a member is to take office,
 7 the member of the governing body shall be appointed:

8 (1) by the judge of the circuit court; or

9 (2) in the case of a united school corporation, by the judge of the
 10 circuit court of the county having the most students enrolled in the
 11 united school corporation.

12 SECTION 2. IC 20-23-4-30, AS AMENDED BY P.L.179-2011,
 13 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 JULY 1, 2012]: Sec. 30. (a) This section applies to each school
 15 corporation.

16 (b) If a tie vote occurs among any of the candidates, the tie vote
 17 shall be resolved under IC 3-12-9-4.

18 (c) If after the first governing body takes office, there is a vacancy
 19 on the governing body for any reason, including the failure of the
 20 sufficient number of petitions for candidates being filed, whether the
 21 vacating member was elected or appointed, the remaining members of
 22 the governing body, whether or not a majority of the governing body,
 23 shall by a majority vote fill the vacancy by appointing a person from
 24 within the boundaries of the community school corporation to serve for
 25 the term or balance of the term. An individual appointed under this
 26 subsection must possess the qualifications provided for a regularly
 27 elected or appointed governing body member filling the office. If:

28 (1) a tie vote occurs among the members of the governing body
 29 under this subsection or IC 3-12-9-4; or

30 (2) the governing body fails to act within thirty (30) days after any
 31 vacancy occurs;

32 the judge of the circuit court in the county where the majority of
 33 registered voters of the school corporation reside shall make the
 34 appointment.

35 (d) A vacancy in the governing body occurs if a member ceases to
 36 be a resident of any community school corporation. A vacancy does not
 37 occur when the member moves from a district of the school corporation
 38 from which the member was elected or appointed if the member
 39 continues to be a resident of the school corporation.

40 (e) At the first general election in which members of the governing
 41 body are elected:

42 (1) a simple majority of the candidates elected as members of the

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1 governing body who receive the greatest number of votes shall be
2 elected for four (4) year terms; and

3 (2) the balance of the candidates elected as members of the
4 governing body receiving the next greatest number of votes shall
5 be elected for two (2) year terms.

6 Thereafter, **except as provided in IC 20-31-9-14 and IC 20-31-9-15**,
7 all school board members shall be elected for four (4) year terms.

8 (f) Elected governing body members take office and assume their
9 duties on January 1 after their election.

10 SECTION 3. IC 20-23-7-8.1, AS ADDED BY P.L.179-2011,
11 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
12 JULY 1, 2012]: Sec. 8.1. (a) **Except as provided in IC 20-31-9-14**
13 **and IC 20-31-9-15**, the registered voters of the metropolitan school
14 district shall elect the members of the metropolitan board of education
15 at general elections held biennially, beginning with the next general
16 election that is held more than sixty (60) days after the creation of the
17 metropolitan school district as provided in this chapter.

18 (b) Each nominee for the board must file a petition of nomination
19 signed by the nominee and by ten (10) registered voters residing in the
20 same board member district as the nominee. The petition must be filed
21 in accordance with IC 3-8-2.5 with the circuit court clerk of each
22 county in which the metropolitan school district is located.

23 (c) Nominees for the board shall be listed on the general election
24 ballot:

25 (1) in the form prescribed by IC 3-11-2;

26 (2) by board member districts; and

27 (3) without party designation.

28 The ballot must state the number of board members to be voted on and
29 the maximum number of members that may be elected from each board
30 member district as provided under section 5 of this chapter. A ballot
31 that contains more votes than the maximum number allowed from a
32 board member district is invalid.

33 (d) The precinct election boards in each county serving at the
34 general election shall conduct the election for school board members.

35 (e) Voting and tabulation of votes shall be conducted in accordance
36 with IC 3, and the candidates who receive the most votes are elected to
37 the board.

38 (f) If there are more candidates from a particular board member
39 district than may be elected from the board member district under
40 section 5 of this chapter:

41 (1) the number of candidates elected is the greatest number that
42 may be elected from the board member district;

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- 1 (2) the candidates elected are those who, among the candidates
- 2 from the board member district, receive the most votes; and
- 3 (3) the other candidates from the board member district are
- 4 eliminated.

5 (g) If there is a tie vote among the candidates for the board, the
 6 judge of the circuit court in the county where the majority of the
 7 registered voters of the metropolitan school district reside shall select
 8 one (1) of the candidates who shall be declared and certified elected.

9 (h) If, at any time after the first board member election, a vacancy
 10 on the board occurs for any reason, including an insufficient number of
 11 petitions for candidates being filed, and regardless of whether the
 12 vacating member was elected or appointed, the remaining members of
 13 the board, whether or not a majority of the board, shall by a majority
 14 vote fill the vacancy by:

- 15 (1) appointing a person from the board member district from
- 16 which the person who vacated the board was elected; or
- 17 (2) if the person was appointed, appointing a person from the
- 18 board member district from which the last elected predecessor of
- 19 the person was elected.

20 If a majority of the remaining members of the board is unable to agree
 21 or the board fails to act within thirty (30) days after a vacancy occurs,
 22 the judge of the circuit court in the county where the majority of
 23 registered voters of the metropolitan school district reside shall make
 24 the appointment.

- 25 (i) At a general election held on the earlier of:
- 26 (1) more than sixty (60) days after an elected board member
- 27 vacates membership on the board; or
- 28 (2) immediately before the end of the term for which the vacating
- 29 member was elected;

30 a successor to a board member appointed under subsection (h) shall be
 31 elected. Unless the successor takes office at the end of the term of the
 32 vacating member, the member shall serve only for the balance of the
 33 vacating member's term. In an election for a successor board member
 34 to fill a vacancy for a two (2) year balance of a term, candidates for
 35 board membership need not file for or with reference to the vacancy.
 36 However, as required by IC 3-11-2, candidates for at-large seats must
 37 be distinguished on the ballot from candidates for district seats. If there
 38 is more than one (1) at-large seat on the ballot due to this vacancy, the
 39 elected candidate who receives the fewest votes at the election at which
 40 the successor is elected shall serve for a two (2) year term.

41 (j) At the first general election where members of the board are
 42 elected under this section, the elected candidates who constitute a

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1 simple majority of the elected candidates and who receive the most
 2 votes shall be elected for four (4) year terms, and the other elected
 3 candidates shall be elected for two (2) year terms.

4 (k) **Except as provided in IC 20-31-9-14 and IC 20-31-9-15,**
 5 board members shall be elected for four (4) year terms after the first
 6 election and shall take office January 1 following their election.

7 SECTION 4. IC 20-23-12-8, AS AMENDED BY P.L.179-2011,
 8 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JULY 1, 2012]: Sec. 8. (a) **Except as provided in IC 20-31-9-14 and**
 10 **IC 20-31-9-15,** the term of each person elected to serve on the
 11 governing body is four (4) years.

12 (b) The term of each person elected to serve on the governing body
 13 begins the January 1 that next follows the person's election.

14 SECTION 5. IC 20-23-13-2.1, AS ADDED BY P.L.179-2011,
 15 SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JULY 1, 2012]: Sec. 2.1. (a) As used in this section, "county election
 17 board" includes a board of elections and registration established under
 18 IC 3-6-5.2.

19 (b) **Except as provided in IC 20-31-9-14 and IC 20-31-9-15,** the
 20 voters of the school corporation shall elect the members of the
 21 governing body at a general election for a term of four (4) years. The
 22 members shall be elected from the city at large without reference to
 23 district.

24 (c) Each candidate for election to the governing body must file a
 25 petition of nomination with the county election board in each county in
 26 which a school corporation subject to this chapter is located. The
 27 petition of nomination must comply with IC 3-8-2.5 and the following
 28 requirements:

29 (1) The petition must be signed by at least two hundred (200)
 30 legal voters of the school corporation.

31 (2) Each petition may nominate only one (1) candidate.

32 (3) The number of petitions signed by a legal voter may not
 33 exceed the number of school trustees to be elected.

34 (d) After all the petitions described in subsection (c) are filed with
 35 the county election board, the board shall publish the names of those
 36 nominated in accordance with IC 5-3-1 and shall certify the
 37 nominations in the manner required by law. IC 3 governs the election
 38 to the extent that it is not inconsistent with this chapter.

39 (e) The county election board shall prepare the ballot for the general
 40 election at which members of the governing body are to be elected so
 41 that the names of the candidates nominated appear on the ballot:

42 (1) in alphabetical order;

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- 1 (2) without party designation; and
 2 (3) in the form prescribed by IC 3-11-2.
- 3 (f) The county election board shall not publish or place on the ballot
 4 the name of a candidate who is not eligible under this chapter for
 5 membership on the governing body.
- 6 (g) Each voter may vote for as many candidates as there are
 7 members of the governing body to be elected.
- 8 SECTION 6. IC 20-23-14-8, AS AMENDED BY P.L.179-2011,
 9 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 JULY 1, 2012]: Sec. 8. (a) **Except as provided in IC 20-31-9-14 and**
 11 **IC 20-31-9-15**, the term of each person elected to serve on the
 12 governing body is four (4) years.
- 13 (b) The term of each person elected to serve on the governing body
 14 begins on the January 1 that next follows the person's election.
- 15 SECTION 7. IC 20-23-15-11, AS ADDED BY P.L.1-2005,
 16 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 2012]: Sec. 11. (a) Except as otherwise provided in this
 18 section **or in IC 20-31-9-14 and IC 20-31-9-15**, a person elected to
 19 serve on the governing body:
- 20 (1) begins the person's term on January 1 of the year following the
 21 person's election; and
 22 (2) serves a four (4) year term.
- 23 (b) The two (2) members of the governing body who were last
 24 selected under the selection process in effect for the school corporation
 25 before a referendum is held under this chapter shall serve as at-large
 26 members through December 31 of the year in which the second general
 27 election is held to elect members of the governing body under this
 28 chapter. However, if this subsection applies to more than two (2)
 29 members, the circuit court judge for the county shall select two (2) of
 30 these members to serve as at-large members through December 31 of
 31 the year in which the second general election is held to elect members
 32 of the governing body under this chapter.
- 33 (c) The terms of all other members of the governing body who were
 34 selected to serve on the governing body before a referendum is held
 35 under this chapter expire December 31 of the year in which the
 36 referendum is held.
- 37 (d) In the initial general election held to elect members of the
 38 governing body under this chapter, five (5) of the members shall be
 39 elected by voters from their districts as follows:
- 40 (1) Three (3) of the members elected shall serve for four (4) year
 41 terms.
 42 (2) Two (2) of the members elected shall serve for two (2) year

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1 terms.

2 (e) In the second general election held to elect members of the

3 governing body under this chapter, four (4) of the members shall be

4 elected as follows:

5 (1) Two (2) of the members shall be elected by voters from their

6 district and shall serve four (4) year terms.

7 (2) Two (2) of the members shall be elected at large and shall

8 serve four (4) year terms.

9 SECTION 8. IC 20-23-17-4, AS ADDED BY P.L.179-2011,

10 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

11 JULY 1, 2012]: Sec. 4. **Except as provided in IC 20-31-9-14 and**

12 **IC 20-31-9-15**, the term of each individual chosen to serve on the

13 governing body is four (4) years, beginning January 1 following the

14 individual's election or appointment.

15 SECTION 9. IC 20-23-17.2-8, AS ADDED BY P.L.179-2011,

16 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

17 JULY 1, 2012]: Sec. 8. **Except as provided in IC 20-31-9-14 and**

18 **IC 20-31-9-15**, the term of each person elected to serve on the

19 governing body of the school corporation is four (4) years, beginning

20 January 1 following the election.

21 SECTION 10. IC 20-25-3-4, AS AMENDED BY P.L.179-2011,

22 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

23 JULY 1, 2012]: Sec. 4. (a) **Except as provided in IC 20-31-9-14 or**

24 **IC 20-31-9-15**, the board consists of seven (7) members. A member:

25 (1) must be elected on a nonpartisan basis in general elections

26 held in the county as specified in this section; and

27 (2) serves a four (4) year term.

28 (b) Five (5) members shall be elected from the school board districts

29 in which the members reside, and two (2) members must be elected at

30 large. Not more than two (2) of the members who serve on the board

31 may reside in the same school board district.

32 (c) If a candidate runs for one (1) of the district positions on the

33 board, only eligible voters residing in the candidate's district may vote

34 for that candidate. If a person is a candidate for one (1) of the at-large

35 positions, eligible voters from all the districts may vote for that

36 candidate.

37 (d) If a candidate files to run for a position on the board, the

38 candidate must specify whether the candidate is running for a district

39 or an at-large position.

40 (e) A candidate who runs for a district or an at-large position wins

41 if the candidate receives the greatest number of votes of all the

42 candidates for the position.

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1 (f) Districts shall be established within the school city by the state
 2 board. The districts must be drawn on the basis of precinct lines, and
 3 as nearly as practicable, of equal population with the population of the
 4 largest district not to exceed the population of the smallest district by
 5 more than five percent (5%). District lines must not cross precinct
 6 lines. The state board shall establish:

7 (1) balloting procedures for the election under IC 3; and

8 (2) other procedures required to implement this section.

9 (g) A member of the board serves under section 3 of this chapter.

10 (h) In accordance with subsection (k), a vacancy in the board shall
 11 be filled temporarily by the board as soon as practicable after the
 12 vacancy occurs. The member chosen by the board to fill a vacancy
 13 holds office until the member's successor is elected and qualified. The
 14 successor shall be elected at the next regular school board election
 15 occurring after the date on which the vacancy occurs. The successor
 16 fills the vacancy for the remainder of the term.

17 (i) An individual elected to serve on the board begins the
 18 individual's term on January 1 immediately following the individual's
 19 election.

20 (j) Notwithstanding any law to the contrary, each voter must cast a
 21 vote for a school board candidate or school board candidates by voting
 22 system or paper ballot. However, the same method used to cast votes
 23 for all other offices for which candidates have qualified to be on the
 24 election ballot must be used for the board offices.

25 (k) If a vacancy in the board exists because of the death of a
 26 member, the remaining members of the board shall meet and select an
 27 individual to fill the vacancy in accordance with subsection (h) after
 28 the secretary of the board receives notice of the death under IC 5-8-6.

29 SECTION 11. IC 20-31-2-6.2 IS ADDED TO THE INDIANA
 30 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 31 [EFFECTIVE JULY 1, 2012]: **Sec. 6.2. "Independent school" means**
 32 **a public elementary school or secondary school established under**
 33 **IC 20-31-9-8.**

34 SECTION 12. IC 20-31-2-6.4 IS ADDED TO THE INDIANA
 35 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 36 [EFFECTIVE JULY 1, 2012]: **Sec. 6.4. "Lead partner" means an**
 37 **organization that employs research-based strategies to yield**
 38 **demonstrable and sustainable results.**

39 SECTION 13. IC 20-31-2-6.6 IS ADDED TO THE INDIANA
 40 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 41 [EFFECTIVE JULY 1, 2012]: **Sec. 6.6. "Operated turnaround**
 42 **academy" refers to a public elementary school or secondary school**

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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 local education agency.

SECTION 14. IC 20-31-2-6.8 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2012]: **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 15. IC 20-31-2-7.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2012]: **Sec. 7.5. "Quality review" means an evaluation of academic quality indicators conducted by the department and chosen team members of a school.**

SECTION 16. IC 20-31-8-3, AS ADDED BY P.L.1-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 3. The state board shall establish a number of categories or designations of school improvement based on the improvement that a school or school corporation makes in performance of the measures determined by the board with the advice of the education roundtable. The categories or designations must reflect various levels of improvement.**

SECTION 17. IC 20-31-8-4, AS ADDED BY P.L.1-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 4. The state board shall place each school and school corporation in a category or designation of school improvement based on the department's findings from the assessment of the improvement of each school and school corporation under section 2 of this chapter. The state board must place those schools and school corporations that do not show improvement and in which less than ninety percent (90%) of the students meet academic standards in the lowest category or designation.**

SECTION 18. IC 20-31-9-2, AS ADDED BY P.L.1-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 2. (a) This section applies the first year that a school is placed in the lowest category or designation of school improvement.**

(b) The state board shall place the school and the school corporation

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1 on notice that the school is in the lowest category or designation of
 2 school improvement. Upon receiving the notice, the governing body
 3 shall:

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

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

- 9 (1) Shifting resources.
 10 (2) Changing personnel.
 11 (3) Requesting the state board to appoint an outside team to
 12 manage the school or assist in the development of a new plan.

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

16 **(e) This section expires June 30, 2013.**

17 SECTION 19. IC 20-31-9-2.2, IS ADDED TO THE INDIANA
 18 CODE AS A NEW SECTION TO READ AS FOLLOWS
 19 [EFFECTIVE JULY 1, 2012]: **Sec. 2.2. (a) Beginning with the**
 20 **category designations received for the 2012-2013 school year, this**
 21 **section applies the first and second year that a school is placed in**
 22 **either of the two (2) lowest categories or designations of school**
 23 **improvement.**

24 **(b) The state board shall place the school and the school**
 25 **corporation on notice that the school is in one (1) of the two (2)**
 26 **lowest categories or designations of school improvement. Upon**
 27 **receiving the notice, the governing body shall:**

- 28 (1) issue a public notice of the school's lack of improvement;
 29 and
 30 (2) hold a public hearing in which public testimony is received
 31 concerning the lack of improvement. The governing body
 32 shall forward the minutes of the public meeting to the state
 33 board not later than forty-five (45) days after the public
 34 meeting is held.

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

- 37 (1) Shifting resources.
 38 (2) Changing personnel.
 39 (3) Requesting the state board to appoint an outside team to
 40 manage the school or assist in the development of a new plan.

41 (d) If the governing body approves a request for the state board
 42 to appoint an outside team under subsection (c)(3), the school is

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1 **subject to section 3.5 of this chapter.**

2 SECTION 20. IC 20-31-9-2.5 IS ADDED TO THE INDIANA
3 CODE AS A NEW SECTION TO READ AS FOLLOWS
4 [EFFECTIVE JULY 1, 2012]: **Sec. 2.5. (a) Beginning with the**
5 **category designations received for the 2012-2013 school year, this**
6 **section applies in the second or third year that a school is placed in**
7 **either of the two (2) lowest categories or designations of school**
8 **improvement.**

9 (b) A governing body may petition the state board for
10 permission to:

- 11 (1) close;
12 (2) merge with a nearby school that is in a higher category or
13 designation;
14 (3) change the grade configuration of; or
15 (4) change the attendance zone of;

16 a school to which this section applies. The state board may grant
17 permission to take the action if the action is in the best interests of
18 the affected students.

19 (c) The governing body of a school to which this section applies
20 may petition the state board to immediately restructure the school
21 by presenting a written plan to the state board setting forth the
22 proposed interventions for the school. If the state board approves
23 the petition and accepts the plan, the school:

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

30 (d) The parents of at least fifty-one percent (51%) of the
31 students who attend a school to which this section applies may
32 petition the state board to immediately make the school subject to
33 section 4.5 or 5 of this chapter. A petition under this subsection
34 must be submitted to the state board not later than ninety (90) days
35 after the date of the first signature to the petition, and must follow
36 the requirements set forth in IC 20-26-12-9.

37 SECTION 21. IC 20-31-9-3, AS AMENDED BY P.L.229-2011,
38 SECTION 188, IS AMENDED TO READ AS FOLLOWS
39 [EFFECTIVE JULY 1, 2012]: **Sec. 3. (a) This section applies if, in the**
40 **third year after initial placement in the lowest category or designation,**
41 **a school still remains in the lowest category or designation.**

42 (b) The state board shall establish and assign an expert team to the

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- 1 school. The expert team:
- 2 (1) must include representatives from the community or region
- 3 that the school serves; and
- 4 (2) may include:
- 5 (A) school superintendents, members of governing bodies, and
- 6 teachers from school corporations that are in high categories
- 7 or designations; and
- 8 (B) special consultants or advisers.
- 9 (c) The expert team shall:
- 10 (1) assist the school in revising the school's plan; and
- 11 (2) recommend changes in the school that will promote
- 12 improvement, including the reallocation of resources or requests
- 13 for technical assistance.
- 14 (d) The governing body of the school corporation in which a school
- 15 to which this section applies is located may petition the state board to
- 16 immediately restructure the school by presenting a written plan to the
- 17 state board setting forth the proposed intervention for the school. If the
- 18 state board approves the petition and accepts the plan, the school:
- 19 (1) operates under the applicable provisions of IC 20-31-9.5; and
- 20 (2) is carried forward in the same performance category or
- 21 designation in which the school is placed at the time the state
- 22 board accepts the plan.
- 23 **(e) This section expires December 31, 2016.**
- 24 SECTION 22. IC 20-31-9-3.5 IS ADDED TO THE INDIANA
- 25 CODE AS A NEW SECTION TO READ AS FOLLOWS
- 26 [EFFECTIVE JULY 1, 2012]: **Sec. 3.5. (a) Beginning with the**
- 27 **category designations received for the 2012-2013 school year, this**
- 28 **section applies if, in the third year after initial placement in either**
- 29 **of the two (2) lowest categories or designations of school**
- 30 **improvement, a school remains in either of the two (2) lowest**
- 31 **categories or designations.**
- 32 **(b) The state board shall establish and assign to the school an**
- 33 **expert team to conduct a quality review. The expert team:**
- 34 **(1) must include representatives from the community or**
- 35 **region that the school serves; and**
- 36 **(2) may include:**
- 37 **(A) school superintendents, members of governing bodies,**
- 38 **and teachers from school corporations that are in high**
- 39 **categories or designations; and**
- 40 **(B) special consultants or advisers.**
- 41 **(c) The expert team shall:**
- 42 **(1) assist the school in revising the school's plan; and**

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- 1 **(2) recommend changes in the school that will promote**
- 2 **improvement, including the reallocation of resources or**
- 3 **requests for technical assistance.**
- 4 **(d) After a review conducted under this section, the department**
- 5 **may offer the affected school corporation the opportunity to enter**
- 6 **into a memorandum of agreement developed by the department.**
- 7 **The memorandum of agreement must include the following:**
- 8 **(1) Performance goals the department expects the school to**
- 9 **achieve.**
- 10 **(2) Specific interventions, aligned with the findings of the**
- 11 **quality review, to improve the academic outcomes of the**
- 12 **school.**
- 13 **(e) A school to which this section applies remains subject to this**
- 14 **section until the school:**
- 15 **(1) is placed in the middle category or designation of school**
- 16 **improvement, or a higher category or designation of school**
- 17 **improvement, for two (2) consecutive school years; or**
- 18 **(2) becomes subject to section 4 or 4.5 of this chapter.**
- 19 SECTION 23. IC 20-31-9-4, AS AMENDED BY P.L.229-2011,
- 20 SECTION 189, IS AMENDED TO READ AS FOLLOWS
- 21 [EFFECTIVE JULY 1, 2012]: Sec. 4. (a) This section applies if, in the
- 22 fifth year after initial placement in the lowest category or designation,
- 23 a school still remains in the lowest category or designation.
- 24 (b) The state board shall do the following:
- 25 (1) Hold at least one (1) public hearing in the school corporation
- 26 where the school is located to consider and hear testimony
- 27 concerning the following options for school improvement:
- 28 (A) Merging the school with a nearby school that is in a higher
- 29 category.
- 30 (B) Assigning a special management team to operate all or
- 31 part of the school.
- 32 (C) The department's recommendations for improving the
- 33 school.
- 34 (D) Other options for school improvement expressed at the
- 35 public hearing, including closing the school.
- 36 (E) Revising the school's plan in any of the following areas:
- 37 (i) Changes in school procedures or operations.
- 38 (ii) Professional development.
- 39 (iii) Intervention for individual teachers or administrators.
- 40 (2) If the state board determines that intervention will improve the
- 41 school, implement at least one (1) of the options listed in
- 42 subdivision (1).

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

4 **(d) This section expires December 31, 2016.**

5 SECTION 24. IC 20-31-9-4.5 IS ADDED TO THE INDIANA
 6 CODE AS A NEW SECTION TO READ AS FOLLOWS
 7 [EFFECTIVE JULY 1, 2012]: **Sec. 4.5. (a) Beginning with the**
 8 **category designations received for the 2012-2013 school year, this**
 9 **section applies if, in the fourth year after initial placement in the**
 10 **lowest category or designation of school improvement, a school**
 11 **remains in the lowest category or designation.**

12 **(b) The state board shall do the following:**

13 **(1) Hold at least one (1) public hearing in the school**
 14 **corporation where the school is located to consider and hear**
 15 **testimony concerning the following options:**

16 **(A) Merging the school with a nearby school that is in a**
 17 **higher category or designation of school improvement.**

18 **(B) Assigning a special management team to operate all or**
 19 **part of the school.**

20 **(C) Implementing the department's recommendations for**
 21 **improving the school.**

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

23 **(E) Implementing other options for school intervention,**
 24 **including those expressed at the public hearing.**

25 **(F) Closing the school and reopening it as a charter school**
 26 **or converting the school to a charter school.**

27 **(2) If the state board determines that intervention will**
 28 **improve the school, implement at least one (1) of the options**
 29 **listed in subdivision (1).**

30 **(c) The state board may alter at any time the intervention taken**
 31 **under this section.**

32 SECTION 25. IC 20-31-9-5 IS ADDED TO THE INDIANA CODE
 33 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 34 1, 2012]: **Sec. 5. (a) Beginning with the category designations**
 35 **received for the 2012-2013 school year, this section applies in the**
 36 **fifth year of a school's placement in any of the two (2) lowest**
 37 **categories or designations of school improvement.**

38 **(b) The state board shall do the following:**

39 **(1) Hold at least one (1) public hearing in the school**
 40 **corporation where the school is located to consider and hear**
 41 **testimony concerning the following options for providing a**
 42 **quality education to the affected students through school**

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- 1 intervention:
- 2 (A) Merging the school with a nearby school that is in a
- 3 higher category or designation.
- 4 (B) Assigning a special management team or a lead partner
- 5 to operate all or part of the school.
- 6 (C) Implementing the department's recommendations for
- 7 the school.
- 8 (D) Closing the school.
- 9 (E) Implementing other options for school intervention,
- 10 including those expressed at the public hearing.
- 11 (F) Closing the school and reopening it as a charter school
- 12 or converting the school to a charter school.
- 13 (2) If the department determines that an intervention will
- 14 improve the school, implement at least one (1) of the options
- 15 listed in subdivision (1).
- 16 (c) Upon the recommendation of the department, the state
- 17 board may alter at any time the intervention taken under this
- 18 section.
- 19 SECTION 26. IC 20-31-9-6 IS ADDED TO THE INDIANA CODE
- 20 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 21 1, 2012]: Sec. 6. (a) If the state board imposes an intervention
- 22 under this chapter, the state board shall determine the number of
- 23 years the school is subject to the intervention. The state board may
- 24 decrease the number of years, or renew the intervention for
- 25 additional periods if the state board considers the renewal to be
- 26 necessary. Not later than July 30 of each year, the state board shall
- 27 determine whether it will continue the intervention at each school
- 28 that is subject to an intervention.
- 29 (b) After the state board determines that an intervention is
- 30 necessary for a school, the department shall create a turnaround
- 31 plan for the school, working with any special management team the
- 32 state board wishes to include in the turnaround plan. The
- 33 turnaround plan must:
- 34 (1) designate the school as a turnaround academy;
- 35 (2) explain the intervention to be implemented;
- 36 (3) set forth the parties primarily responsible for the
- 37 intervention, including any special management teams;
- 38 (4) set forth the time period for the intervention;
- 39 (5) define annual goals for the turnaround academy,
- 40 including:
- 41 (A) academic goals;
- 42 (B) attendance goals for teachers and students;



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- 1 (C) graduation rate goals;
- 2 (D) financial management goals; and
- 3 (E) any other goals the department determines are
- 4 appropriate for the school; and
- 5 (6) identify the consequences for failing to meet the goals.

6 (c) If the state board enters into a contract with a special
 7 management team as a part of a school intervention, the state
 8 board may require the special management team to secure a
 9 performance bond, in an amount determined by the state board,
 10 before the contract is finalized.

11 SECTION 27. IC 20-31-9-7 IS ADDED TO THE INDIANA CODE
 12 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 13 1, 2012]: Sec. 7. (a) Each year, the state board shall analyze data
 14 and information relating to a turnaround academy's attainment of
 15 the academy's annual goals.

16 (b) In the third year of an intervention, the state board shall
 17 determine whether the special management team has reached the
 18 goals identified for the turnaround academy under this chapter. If
 19 the goals have been reached, the state board may have the
 20 performance bond required under section 6 of this chapter set
 21 aside.

22 (c) If, after the period designated for the intervention, the state
 23 board determines that the intervention has failed to reach the goals
 24 set for the turnaround academy, the state board may:

- 25 (1) enter into an agreement with a new special management
- 26 team; or
- 27 (2) implement additional interventions under section 4 of this
- 28 chapter.

29 SECTION 28. IC 20-31-9-8 IS ADDED TO THE INDIANA CODE
 30 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 31 1, 2012]: Sec. 8. (a) The state board may release a turnaround
 32 academy from a special management team:

- 33 (1) at the end of the term set forth in section 6 of this chapter;
- 34 or
- 35 (2) earlier than under subdivision (1), if the turnaround
- 36 academy has attained the goals set.

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

41 SECTION 29. IC 20-31-9-9 IS ADDED TO THE INDIANA CODE
 42 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY

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1, 2012]: (a) An independent school created under section 8 of this chapter:

- (1) must be nonsectarian and nonreligious;
- (2) must be open to any student who resides in Indiana;
- (3) may not establish admission policies or limit student admissions in any manner in which a public school is not allowed to establish admission policies or limit admissions;
- (4) must offer admission to each student who resides in the independent school's former attendance zone; and
- (5) except as provided in subsection (b), must enroll any eligible student who submits a timely application for admission.

(b) This subsection applies if the number of applicants for a program, class, grade level, or building exceeds the capacity of the program, class, grade level, or building. If an independent school receives a greater number of applications than there are spaces for students:

- (1) subsection (a)(3) and (a)(4) continue to apply; and
- (2) each timely applicant outside of the former attendance zone of the school must be given an equal chance of admission.

The independent school must determine which applicant or applicants will be admitted to the program, class, grade level, or building by random drawing in a public meeting.

(c) An independent school may limit new admissions to:

- (1) ensure that a student who attends the independent school during a school year may continue to attend the independent school in subsequent school years; and
- (2) allow the siblings of a student who attends the independent school to attend the independent school.

SECTION 30. IC 20-31-9-10 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 10. (a) A school created under section 8 of this chapter shall be governed initially by a governing body appointed as follows:

- (1) If the school is located in:
 - (A) a city, the mayor of the city;
 - (B) a town, the town manager of the town; or
 - (C) an unincorporated area of a county, the county commissioners of the county;
 in which the school is located shall appoint three (3) members.
- (2) The mayor of the city or town manager of the town, if any, in which the school is located shall forward at least ten (10)

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- 1 names to the state board within a reasonable time period set
- 2 by the state board, from which the state board shall appoint
- 3 two (2) members.
- 4 (3) The county commissioners of the county in which the
- 5 school is located shall forward at least ten (10) names to the
- 6 state board within a reasonable time period set by the state
- 7 board, from which the state board shall appoint:
- 8 (A) two (2) members, if the school is located in a city or
- 9 town; or
- 10 (B) four (4) members, if the school is located in an
- 11 unincorporated area of the county.
- 12 The initial governing body shall determine the length of terms,
- 13 term limits, and other governing matters, in accordance with
- 14 IC 20-23-8-7 through IC 20-23-8-8. The governing body shall
- 15 submit the organization plan to the state board.
- 16 (b) The governing body of a school created under section 8 of
- 17 this chapter may do any of the following:
- 18 (1) Enter into an agreement with the school corporation in
- 19 which the school is located for the operation of the school
- 20 created under section 8 of this chapter. Before an agreement
- 21 is finalized, the state board:
- 22 (A) must approve the transfer of operations; and
- 23 (B) may set requirements for the operation of the school.
- 24 (2) Join with another school created under section 8 of this
- 25 chapter to form a single school.
- 26 (3) Apply to an appropriate sponsor to become a charter
- 27 school.
- 28 (4) Enter into a contract with a management team to operate
- 29 the school or any part of the school.
- 30 (5) Enter into a contract with another school to provide
- 31 educational services.
- 32 (6) Operate the school.
- 33 (c) A school created under section 8 of this chapter has the
- 34 power to:
- 35 (1) sue and be sued in its own name;
- 36 (2) for educational purposes, acquire real and personal
- 37 property or an interest in real and personal property by
- 38 purchase, gift, grant, devise, or bequest;
- 39 (3) convey property; and
- 40 (4) enter into contracts in its own name, including contracts
- 41 for services.
- 42 (d) A school created under section 8 of this chapter may not do

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the following:

(1) Charge tuition to any student residing within the school's attendance zone. However, an independent school may charge tuition for:

(A) a preschool program, unless charging tuition for the preschool program is barred under federal law; or

(B) a latch key program;

if the school provides those programs.

(2) Except for a foreign exchange student who is not a United States citizen, enroll a student who is not a resident of Indiana.

(e) A school created under section 8 of this chapter is not prohibited from delivering instructional services:

(1) through the Internet or another online arrangement; or

(2) in any manner by computer;

if the instructional services are provided to students enrolled in the school in a manner that complies with any procedures adopted by the department concerning online and computer instruction in public schools.

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

(g) Except as specifically provided in this chapter, the following do not apply to a school created under section 8 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.

(h) The accountability provisions of IC 20-31-9 and this chapter apply to a school created under section 8 of this chapter.

SECTION 31. IC 20-31-9-11 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 11. (a) The state board shall develop and perform an annual analysis showing how school corporation spending correlates to student progress. The analysis must identify school corporations using resource allocation practices that contribute to high academic performance and cost effective operations. The analysis may include the use of student growth or improvement.

(b) The department shall include a copy of the annual analysis on the department's Internet web site.

(c) The state board shall adopt rules under IC 4-22-2 to implement this section.

SECTION 32. IC 20-31-9-12 IS ADDED TO THE INDIANA

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1 CODE AS A NEW SECTION TO READ AS FOLLOWS
 2 [EFFECTIVE JULY 1, 2012]: **Sec. 12. (a) This section applies the**
 3 **first year a school corporation is placed in either of the two (2)**
 4 **lowest categories or designations of improvement.**

5 (b) The state board shall place the school corporation on notice
 6 that it is in one (1) of the two (2) lowest categories or designations
 7 of improvement. Upon receiving the notice, the governing body
 8 shall:

9 (1) issue a public notice of the corporation's lack of
 10 improvement; and

11 (2) hold a public hearing in which public testimony is received
 12 concerning the lack of improvement.

13 The governing body shall send a copy of the meeting minutes to the
 14 state board not later than forty-five (45) days after the public
 15 meeting.

16 (c) The governing body shall revise a school's strategic and
 17 continuous school improvement plan under IC 20-31-5. A revision
 18 of a school's strategic and continuous school improvement plan
 19 may include any of the following:

20 (1) Shifting resources.

21 (2) Changing personnel.

22 (3) Requesting the state board to assist in the development of
 23 a new strategic and continuous school improvement plan.

24 SECTION 33. IC 20-31-9-13 IS ADDED TO THE INDIANA
 25 CODE AS A NEW SECTION TO READ AS FOLLOWS
 26 [EFFECTIVE JULY 1, 2012]: **Sec. 13. (a) This section applies if, in**
 27 **the second year after a school corporation's initial placement in**
 28 **either of the two (2) lowest categories or designations, a school**
 29 **corporation remains in either of the two (2) lowest categories or**
 30 **designations.**

31 (b) The state board shall establish an expert team and assign the
 32 team to the school corporation to conduct a quality review of the
 33 school corporation. The expert team:

34 (1) must include representatives from the community or
 35 region that the school serves; and

36 (2) may include:

37 (A) school superintendents, members of a school
 38 corporation's governing body, and teachers from a school
 39 corporation that is in a high category or designation; and

40 (B) special consultants or advisors.

41 (c) The expert team shall assist the school corporation:

42 (1) in revising a school's strategic and continuous

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1 improvement plan; and
 2 (2) implementing specific improvements in performance
 3 measures determined by the department.
 4 (d) A school corporation to which this section applies remains
 5 subject to this section until the school corporation:
 6 (1) is placed in a category or designation other than the lowest
 7 two (2) categories or designations for two (2) consecutive
 8 years; or
 9 (2) becomes subject to section 14 or 15 of this chapter.
 10 SECTION 34. IC 20-31-9-14 IS ADDED TO THE INDIANA
 11 CODE AS A NEW SECTION TO READ AS FOLLOWS
 12 [EFFECTIVE JULY 1, 2012]: Sec. 14. (a) This section applies if, in
 13 the third year after a school corporation's initial placement in the
 14 lowest category or designation, a school corporation remains in the
 15 lowest category or designation.
 16 (b) The state board shall hold at least one (1) public hearing in
 17 the school corporation to take testimony concerning the feasibility
 18 of taking any of the following actions for providing a quality
 19 education to the affected students in the school corporation:
 20 (1) Merging the school corporation with a nearby school
 21 corporation that is not in the lowest two (2) categories or
 22 designations.
 23 (2) Assigning a special management team or lead partner to
 24 operate all or part of the school corporation.
 25 (3) Implementing the department's recommendations for
 26 improving the school corporation.
 27 (4) Dissolving the governing board of the school corporation
 28 and installing a state appointed governing board.
 29 (5) Transferring the school corporation's authority to another
 30 entity.
 31 (6) Requiring state board approval of the school corporation's
 32 annual budget.
 33 (7) Implementing other options for school corporation
 34 intervention, including those expressed at the public hearing.
 35 (c) Notwithstanding any other law, if the state board determines
 36 that taking at least one (1) of the actions listed in subsection (b) will
 37 improve the school corporation, the state board may take at least
 38 one (1) of the actions listed in subsection (b).
 39 SECTION 35. IC 20-31-9-15 IS ADDED TO THE INDIANA
 40 CODE AS A NEW SECTION TO READ AS FOLLOWS
 41 [EFFECTIVE JULY 1, 2012]: Sec. 15. (a) This section applies if, in
 42 the fourth year after a school corporation is initially placed in the

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1 lowest two (2) categories or designations, the school corporation
 2 remains in either of the two (2) lowest categories or designations.

3 (b) The state board shall hold at least one (1) public hearing in
 4 the school corporation to take testimony concerning the feasibility
 5 of taking any of the following actions for providing a quality
 6 education to the affected students in the school corporation:

7 (1) Merging the school corporation with a nearby school
 8 corporation that is not in the lowest two (2) categories or
 9 designations.

10 (2) Assigning a special management team or lead partner to
 11 operate all or part of the school corporation.

12 (3) Implementing the department's recommendations for
 13 improving the school corporation.

14 (4) Dissolving the governing board of the school corporation
 15 and installing a state appointed governing board.

16 (5) Transferring the school corporation's authority to another
 17 entity.

18 (6) Requiring state board approval of the school corporation's
 19 annual budget.

20 (7) Taking other actions to provide a quality education for the
 21 affected students in the school corporation, including those
 22 expressed at the public hearing.

23 (c) Notwithstanding any other law, if the state board determines
 24 that taking at least one (1) of the actions listed in subsection (b) will
 25 improve the school corporation, the state board may take at least
 26 one (1) of the actions listed in subsection (b).

27 SECTION 36. IC 20-31-9.5-1, AS ADDED BY P.L.229-2011,
 28 SECTION 190, IS AMENDED TO READ AS FOLLOWS
 29 [EFFECTIVE JULY 1, 2012]: Sec. 1. (a) None of the following may be
 30 considered a school employer under IC 20-29-6 with respect to a
 31 turnaround academy:

32 (1) The state.

33 (2) The state board.

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

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

42 (c) A special management team is not required to employ



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1 **teachers and administrators through teacher contracts established**
 2 **by the state superintendent under IC 20-28-6-3.**

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

5 SECTION 37. IC 20-31-9.5-3, AS ADDED BY P.L.229-2011,
 6 SECTION 190, IS AMENDED TO READ AS FOLLOWS
 7 [EFFECTIVE JULY 1, 2012]: Sec. 3. (a) Turnaround academies are
 8 eligible to receive building and technology loans administered by the
 9 state board from the common school fund.

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

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

19 (d) The department shall do the following:

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

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

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

40 SECTION 38. IC 20-31-9.5-4, AS ADDED BY P.L.229-2011,
 41 SECTION 190, IS AMENDED TO READ AS FOLLOWS
 42 [EFFECTIVE JULY 1, 2012]: Sec. 4. **(a) Except as provided in**

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1 subsection (e), any student who lives in the attendance area served by
 2 a school that is operated as a turnaround academy under this chapter
 3 may attend the turnaround academy. The turnaround academy may not
 4 refuse enrollment to a student who lives in the attendance area.

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

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

15 (d) A school corporation is not required to provide
 16 transportation for a student who attends a turnaround academy
 17 and does not live in the attendance zone served by the turnaround
 18 academy, except as required under 42 U.S.C. 11431, any applicable
 19 court desegregation order, or the individual education plan of a
 20 student who receives special education services as required under
 21 34 CFR 300.320 and 511 IAC 7-32.

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

27 SECTION 39. IC 20-31-9.5-7 IS ADDED TO THE INDIANA
 28 CODE AS A NEW SECTION TO READ AS FOLLOWS
 29 [EFFECTIVE JULY 1, 2012]: Sec. 7. (a) A school corporation shall
 30 continue debt service payments on school corporation debt that is
 31 attributable to a turnaround academy.

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

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

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

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- 1 **(1) The length of the contract.**
- 2 **(2) Consideration.**
- 3 **(3) Performance goals, which may not be less rigorous than**
- 4 **those established under IC 20-31-8.**
- 5 **(4) Cancellation procedures.**
- 6 **(5) Renewal procedures.**
- 7 **(6) Any other provisions the department and the special**
- 8 **management team consider necessary.**
- 9 **(d) A special management team and a school corporation may**
- 10 **enter into a contract for the school corporation to provide any**
- 11 **services for a school that are in the best interest of the students**
- 12 **who attend the school. A contract shall specify the length of time,**
- 13 **level of services, and entity responsible for providing necessary**
- 14 **services, including the following services:**
- 15 **(1) Food service.**
- 16 **(2) Educational and administrative technology and technology**
- 17 **support.**
- 18 **(3) Special education services.**
- 19 **(4) Career and technical education services.**
- 20 **(5) Custodial services.**
- 21 **(6) Instructional services in a particular curriculum area.**
- 22 **(7) Textbooks and supplemental materials.**
- 23 **(8) Student services.**
- 24 **(9) Police and probation services.**
- 25 **(10) Any other provisions the school corporation and the**
- 26 **special management team consider necessary.**
- 27 **(e) A school corporation and a special management team may**
- 28 **enter into a contract for additional services.**
- 29 **(f) The state board shall resolve any disputes that arise in the**
- 30 **negotiation or execution of a contract under subsections (b), (c),**
- 31 **(d), and (e). The decision of the state board is the final**
- 32 **administrative decision.**
- 33 **(g) A school corporation in which a special management team**
- 34 **is assigned to operate an operated turnaround academy shall offer**
- 35 **the special management team the opportunity to assume any lease**
- 36 **or contract for equipment, including photocopying equipment and**
- 37 **computer hardware.**
- 38 **SECTION 40. IC 20-31-9.5-8 IS ADDED TO THE INDIANA**
- 39 **CODE AS A NEW SECTION TO READ AS FOLLOWS**
- 40 **[EFFECTIVE JULY 1, 2012]: Sec. 8. (a) A special management team**
- 41 **shall employ teachers, other school employees, and independent**
- 42 **contractors that are:**

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1 (1) described in the contract between the department and the
2 special management team; and

3 (2) necessary for the special management team to fulfill the
4 special management team's responsibilities under this
5 chapter.

6 (b) Individuals employed by the special management team
7 under this section are entitled to participate in insurance benefits
8 offered by the special management team or offered to state
9 employees.

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

12 (1) a retirement program offered by the special management
13 team;

14 (2) the state teachers' retirement fund created by IC 5-10.4;
15 or

16 (3) the public employees' retirement fund created by
17 IC 5-10.3.

18 SECTION 41. IC 20-31-9.5-9 IS ADDED TO THE INDIANA
19 CODE AS A NEW SECTION TO READ AS FOLLOWS
20 [EFFECTIVE JULY 1, 2012]: Sec. 9. (a) A school corporation may
21 not take an action adverse to a special management team's
22 operation of a school, services provided by lead partners, or
23 implementation of an intervention ordered by the state board,
24 including refusing to enter into a contract for services under
25 section 7 of this chapter.

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

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

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

35 (1) Order the department to withhold federal or state funds to
36 which the school corporation would otherwise be entitled to
37 facilitate the full implementation of the special management
38 team's operation of a school, the lead partner's assistance, or
39 other intervention.

40 (2) Authorize the department to pursue any available legal or
41 equitable remedies.

42 (3) Amend the intervention.

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1 **(4) Order the special management team or lead partner to**
2 **carry out the intervention notwithstanding the school**
3 **corporation's adverse action.**

4 SECTION 42. IC 20-31-9.5-10 IS ADDED TO THE INDIANA
5 CODE AS A NEW SECTION TO READ AS FOLLOWS
6 [EFFECTIVE JULY 1, 2012]: **Sec. 10. (a) A school corporation may**
7 **not change the assignment of students to schools in the school**
8 **corporation in a manner that changes significantly the number or**
9 **grade levels of students assigned to a school that is subject to this**
10 **chapter without the agreement of the special management team**
11 **assigned to the school.**

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

17 **(c) The department shall:**
18 **(1) withhold the amount of funds determined under**
19 **subsection (b) from state support that would otherwise be**
20 **distributed to the school corporation; and**
21 **(2) distribute the amount of funds determined under**
22 **subsection (b) to the special management team.**

23 SECTION 43. IC 20-31-9.5-11 IS ADDED TO THE INDIANA
24 CODE AS A NEW SECTION TO READ AS FOLLOWS
25 [EFFECTIVE JULY 1, 2012]: **Sec. 11. (a) A special management**
26 **team shall comply with IC 5-14-1.5 and IC 5-14-3.**

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

30 SECTION 44. IC 20-31-12 IS ADDED TO THE INDIANA CODE
31 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
32 JULY 1, 2012]:

33 **Chapter 12. High Performing School Corporations**
34 **Sec. 1. This chapter applies to a school corporation:**
35 **(1) that for at least two (2) consecutive school years has been**
36 **placed in the highest category or designation of performance;**
37 **and**
38 **(2) all schools within which have placed in the two (2) highest**
39 **categories or designations of performance for at least two (2)**
40 **consecutive school years.**

41 **Sec. 2. The department shall designate a school corporation to**
42 **which this chapter applies as a high performing school**

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corporation.

Sec. 3. (a) The state board may waive any rule adopted by the state board for the school corporation.

(b) The state board may waive the following statutes for a high performing school corporation:

- (1) IC 20-30-2-2 (length of student instructional days).**
- (2) IC 20-30-2-3 (minimum number of student instructional days).**
- (3) IC 20-30-2-4 (penalty for failure to conduct minimum number of student instructional days).**
- (4) IC 20-30-2-7 (minimum length of school term).**
- (5) IC 20-30-14-2(6) (application requirements for community or volunteer service credits).**
- (6) IC 20-31-5-1 through IC 20-31-5-6 (strategic and continuous school improvement and achievement plans).**

Sec. 4. If a school corporation is placed in one (1) of the four (4) lowest categories or designations of performance, or if a school in the school corporation is placed in one (1) of the three (3) lowest categories or designations of performance, the school corporation is no longer a high performing school corporation, and any rules or statutes that have been waived for the school corporation are in effect for the school corporation.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1324, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

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

"SECTION 1. IC 20-23-4-28, AS ADDED BY P.L.1-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 28. (a) Subsections (b) through (g) do not apply to a community school corporation created before March 12, 1965. A community school corporation created before March 12, 1965, shall operate in accordance with the plan under which it was created and the statutes applicable to that plan, as if Acts 1965, c.336, s.4 had not been enacted.

(b) If the members of the governing body are to be appointed, they shall be appointed in accordance with one (1) of the options described in subsection (c). The option must be set out in the plan with sufficient description to permit the plan to be operable with respect to each community school corporation. The description may be partly or wholly by reference to the applicable option provided in this section.

(c) The options described in subsection (b) are the following:

- (1) Members of the governing body may reside anywhere in the community school corporation.
- (2) The community school corporation shall be divided into two (2) or more governing body member districts, any one (1) of which may embrace the entire community school corporation.

Each member:

- (A) serves from a particular district; and
- (B) must be a resident of the district.

The plan must set out the number to be appointed from each district and may provide for an equal number of members from each district.

(d) The plan, under either option in subsection (c), may provide that the first appointments of the governing body members are for staggered terms of not more than four (4) years. Thereafter, **except as provided in IC 20-31-9-14 and IC 20-31-9-15**, appointments shall be made for terms of four (4) years. All terms of office for appointive governing body members expire June 30 in the applicable year.

(e) A plan providing for the appointment of members of the governing body must designate the appointing authority. The authority

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may be the same for each governing body member and must be one (1) or more of the following:

- (1) The judge of the circuit or superior court.
- (2) The city executive.
- (3) The legislative body of a city.
- (4) The board of commissioners of a county.
- (5) The county fiscal body.
- (6) The town legislative body.
- (7) The township executive.
- (8) The township legislative body.
- (9) A township executive and legislative body jointly.
- (10) More than one (1) township executive and legislative body jointly.

(f) If an appointment is to be made by:

- (1) a body, the appointment must be made by a majority vote of the body in official session;
- (2) township executives, the appointment must be made by a majority vote of the executives taken in joint session; and
- (3) township legislative bodies, the appointment must be made by a majority vote of the total number of township legislative body members by a majority vote of the members, taken in joint session.

(g) If a member of the governing body, whether of the interim governing body or regular governing body, is to be appointed, and the beginning of the appointive member's term of office coincides with the date an individual assumes the office of the official who is to make the appointment, the appointment shall be made by the latter individual. If the appointing official or body fails to appoint a member of the first governing body within five (5) days after a community school corporation comes into being, or, for members appointed after the first board is appointed, within five (5) days after a member is to take office, the member of the governing body shall be appointed:

- (1) by the judge of the circuit court; or
- (2) in the case of a united school corporation, by the judge of the circuit court of the county having the most students enrolled in the united school corporation.

SECTION 2. IC 20-23-4-30, AS AMENDED BY P.L.179-2011, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 30. (a) This section applies to each school corporation.

(b) If a tie vote occurs among any of the candidates, the tie vote shall be resolved under IC 3-12-9-4.

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(c) If after the first governing body takes office, there is a vacancy on the governing body for any reason, including the failure of the sufficient number of petitions for candidates being filed, whether the vacating member was elected or appointed, the remaining members of the governing body, whether or not a majority of the governing body, shall by a majority vote fill the vacancy by appointing a person from within the boundaries of the community school corporation to serve for the term or balance of the term. An individual appointed under this subsection must possess the qualifications provided for a regularly elected or appointed governing body member filling the office. If:

- (1) a tie vote occurs among the members of the governing body under this subsection or IC 3-12-9-4; or
- (2) the governing body fails to act within thirty (30) days after any vacancy occurs;

the judge of the circuit court in the county where the majority of registered voters of the school corporation reside shall make the appointment.

(d) A vacancy in the governing body occurs if a member ceases to be a resident of any community school corporation. A vacancy does not occur when the member moves from a district of the school corporation from which the member was elected or appointed if the member continues to be a resident of the school corporation.

(e) At the first general election in which members of the governing body are elected:

- (1) a simple majority of the candidates elected as members of the governing body who receive the greatest number of votes shall be elected for four (4) year terms; and
- (2) the balance of the candidates elected as members of the governing body receiving the next greatest number of votes shall be elected for two (2) year terms.

Thereafter, **except as provided in IC 20-31-9-14 and IC 20-31-9-15**, all school board members shall be elected for four (4) year terms.

(f) Elected governing body members take office and assume their duties on January 1 after their election.

SECTION 3. IC 20-23-7-8.1, AS ADDED BY P.L.179-2011, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 8.1. (a) **Except as provided in IC 20-31-9-14 and IC 20-31-9-15**, the registered voters of the metropolitan school district shall elect the members of the metropolitan board of education at general elections held biennially, beginning with the next general election that is held more than sixty (60) days after the creation of the metropolitan school district as provided in this chapter.



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(b) Each nominee for the board must file a petition of nomination signed by the nominee and by ten (10) registered voters residing in the same board member district as the nominee. The petition must be filed in accordance with IC 3-8-2.5 with the circuit court clerk of each county in which the metropolitan school district is located.

(c) Nominees for the board shall be listed on the general election ballot:

- (1) in the form prescribed by IC 3-11-2;
- (2) by board member districts; and
- (3) without party designation.

The ballot must state the number of board members to be voted on and the maximum number of members that may be elected from each board member district as provided under section 5 of this chapter. A ballot that contains more votes than the maximum number allowed from a board member district is invalid.

(d) The precinct election boards in each county serving at the general election shall conduct the election for school board members.

(e) Voting and tabulation of votes shall be conducted in accordance with IC 3, and the candidates who receive the most votes are elected to the board.

(f) If there are more candidates from a particular board member district than may be elected from the board member district under section 5 of this chapter:

- (1) the number of candidates elected is the greatest number that may be elected from the board member district;
- (2) the candidates elected are those who, among the candidates from the board member district, receive the most votes; and
- (3) the other candidates from the board member district are eliminated.

(g) If there is a tie vote among the candidates for the board, the judge of the circuit court in the county where the majority of the registered voters of the metropolitan school district reside shall select one (1) of the candidates who shall be declared and certified elected.

(h) If, at any time after the first board member election, a vacancy on the board occurs for any reason, including an insufficient number of petitions for candidates being filed, and regardless of whether the vacating member was elected or appointed, the remaining members of the board, whether or not a majority of the board, shall by a majority vote fill the vacancy by:

- (1) appointing a person from the board member district from which the person who vacated the board was elected; or
- (2) if the person was appointed, appointing a person from the

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board member district from which the last elected predecessor of the person was elected.

If a majority of the remaining members of the board is unable to agree or the board fails to act within thirty (30) days after a vacancy occurs, the judge of the circuit court in the county where the majority of registered voters of the metropolitan school district reside shall make the appointment.

- (i) At a general election held on the earlier of:
 - (1) more than sixty (60) days after an elected board member vacates membership on the board; or
 - (2) immediately before the end of the term for which the vacating member was elected;

a successor to a board member appointed under subsection (h) shall be elected. Unless the successor takes office at the end of the term of the vacating member, the member shall serve only for the balance of the vacating member's term. In an election for a successor board member to fill a vacancy for a two (2) year balance of a term, candidates for board membership need not file for or with reference to the vacancy. However, as required by IC 3-11-2, candidates for at-large seats must be distinguished on the ballot from candidates for district seats. If there is more than one (1) at-large seat on the ballot due to this vacancy, the elected candidate who receives the fewest votes at the election at which the successor is elected shall serve for a two (2) year term.

(j) At the first general election where members of the board are elected under this section, the elected candidates who constitute a simple majority of the elected candidates and who receive the most votes shall be elected for four (4) year terms, and the other elected candidates shall be elected for two (2) year terms.

(k) **Except as provided in IC 20-31-9-14 and IC 20-31-9-15**, board members shall be elected for four (4) year terms after the first election and shall take office January 1 following their election.

SECTION 4. IC 20-23-12-8, AS AMENDED BY P.L.179-2011, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 8. (a) **Except as provided in IC 20-31-9-14 and IC 20-31-9-15**, the term of each person elected to serve on the governing body is four (4) years.

(b) The term of each person elected to serve on the governing body begins the January 1 that next follows the person's election.

SECTION 5. IC 20-23-13-2.1, AS ADDED BY P.L.179-2011, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 2.1. (a) As used in this section, "county election board" includes a board of elections and registration established under

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IC 3-6-5.2.

(b) **Except as provided in IC 20-31-9-14 and IC 20-31-9-15**, the voters of the school corporation shall elect the members of the governing body at a general election for a term of four (4) years. The members shall be elected from the city at large without reference to district.

(c) Each candidate for election to the governing body must file a petition of nomination with the county election board in each county in which a school corporation subject to this chapter is located. The petition of nomination must comply with IC 3-8-2.5 and the following requirements:

- (1) The petition must be signed by at least two hundred (200) legal voters of the school corporation.
- (2) Each petition may nominate only one (1) candidate.
- (3) The number of petitions signed by a legal voter may not exceed the number of school trustees to be elected.

(d) After all the petitions described in subsection (c) are filed with the county election board, the board shall publish the names of those nominated in accordance with IC 5-3-1 and shall certify the nominations in the manner required by law. IC 3 governs the election to the extent that it is not inconsistent with this chapter.

(e) The county election board shall prepare the ballot for the general election at which members of the governing body are to be elected so that the names of the candidates nominated appear on the ballot:

- (1) in alphabetical order;
- (2) without party designation; and
- (3) in the form prescribed by IC 3-11-2.

(f) The county election board shall not publish or place on the ballot the name of a candidate who is not eligible under this chapter for membership on the governing body.

(g) Each voter may vote for as many candidates as there are members of the governing body to be elected.

SECTION 6. IC 20-23-14-8, AS AMENDED BY P.L.179-2011, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 8. (a) **Except as provided in IC 20-31-9-14 and IC 20-31-9-15**, the term of each person elected to serve on the governing body is four (4) years.

(b) The term of each person elected to serve on the governing body begins on the January 1 that next follows the person's election.

SECTION 7. IC 20-23-15-11, AS ADDED BY P.L.1-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 11. (a) Except as otherwise provided in this

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section **or in IC 20-31-9-14 and IC 20-31-9-15**, a person elected to serve on the governing body:

(1) begins the person's term on January 1 of the year following the person's election; and

(2) serves a four (4) year term.

(b) The two (2) members of the governing body who were last selected under the selection process in effect for the school corporation before a referendum is held under this chapter shall serve as at-large members through December 31 of the year in which the second general election is held to elect members of the governing body under this chapter. However, if this subsection applies to more than two (2) members, the circuit court judge for the county shall select two (2) of these members to serve as at-large members through December 31 of the year in which the second general election is held to elect members of the governing body under this chapter.

(c) The terms of all other members of the governing body who were selected to serve on the governing body before a referendum is held under this chapter expire December 31 of the year in which the referendum is held.

(d) In the initial general election held to elect members of the governing body under this chapter, five (5) of the members shall be elected by voters from their districts as follows:

(1) Three (3) of the members elected shall serve for four (4) year terms.

(2) Two (2) of the members elected shall serve for two (2) year terms.

(e) In the second general election held to elect members of the governing body under this chapter, four (4) of the members shall be elected as follows:

(1) Two (2) of the members shall be elected by voters from their district and shall serve four (4) year terms.

(2) Two (2) of the members shall be elected at large and shall serve four (4) year terms.

SECTION 8. IC 20-23-17-4, AS ADDED BY P.L.179-2011, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 4. **Except as provided in IC 20-31-9-14 and IC 20-31-9-15**, the term of each individual chosen to serve on the governing body is four (4) years, beginning January 1 following the individual's election or appointment.

SECTION 9. IC 20-23-17.2-8, AS ADDED BY P.L.179-2011, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 8. **Except as provided in IC 20-31-9-14 and**



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IC 20-31-9-15, the term of each person elected to serve on the governing body of the school corporation is four (4) years, beginning January 1 following the election.

SECTION 10. IC 20-25-3-4, AS AMENDED BY P.L.179-2011, SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 4. (a) **Except as provided in IC 20-31-9-14 or IC 20-31-9-15**, the board consists of seven (7) members. A member:

- (1) must be elected on a nonpartisan basis in general elections held in the county as specified in this section; and
- (2) serves a four (4) year term.

(b) Five (5) members shall be elected from the school board districts in which the members reside, and two (2) members must be elected at large. Not more than two (2) of the members who serve on the board may reside in the same school board district.

(c) If a candidate runs for one (1) of the district positions on the board, only eligible voters residing in the candidate's district may vote for that candidate. If a person is a candidate for one (1) of the at-large positions, eligible voters from all the districts may vote for that candidate.

(d) If a candidate files to run for a position on the board, the candidate must specify whether the candidate is running for a district or an at-large position.

(e) A candidate who runs for a district or an at-large position wins if the candidate receives the greatest number of votes of all the candidates for the position.

(f) Districts shall be established within the school city by the state board. The districts must be drawn on the basis of precinct lines, and as nearly as practicable, of equal population with the population of the largest district not to exceed the population of the smallest district by more than five percent (5%). District lines must not cross precinct lines. The state board shall establish:

- (1) balloting procedures for the election under IC 3; and
- (2) other procedures required to implement this section.

(g) A member of the board serves under section 3 of this chapter.

(h) In accordance with subsection (k), a vacancy in the board shall be filled temporarily by the board as soon as practicable after the vacancy occurs. The member chosen by the board to fill a vacancy holds office until the member's successor is elected and qualified. The successor shall be elected at the next regular school board election occurring after the date on which the vacancy occurs. The successor fills the vacancy for the remainder of the term.

(i) An individual elected to serve on the board begins the

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individual's term on January 1 immediately following the individual's election.

(j) Notwithstanding any law to the contrary, each voter must cast a vote for a school board candidate or school board candidates by voting system or paper ballot. However, the same method used to cast votes for all other offices for which candidates have qualified to be on the election ballot must be used for the board offices.

(k) If a vacancy in the board exists because of the death of a member, the remaining members of the board shall meet and select an individual to fill the vacancy in accordance with subsection (h) after the secretary of the board receives notice of the death under IC 5-8-6."

Page 2, line 5, after "surety" insert "**bond**".

Page 2, between lines 12 and 13, begin a new paragraph and insert:

"SECTION 16. IC 20-31-8-3, AS ADDED BY P.L.1-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 3. The state board shall establish a number of categories or designations of ~~school~~ improvement based on the improvement that a school **or school corporation** makes in performance of the measures determined by the board with the advice of the education roundtable. The categories or designations must reflect various levels of improvement.

SECTION 17. IC 20-31-8-4, AS ADDED BY P.L.1-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 4. The state board shall place each school **and school corporation** in a category or designation of ~~school~~ improvement based on the department's findings from the assessment of the improvement of each school **and school corporation** under section 2 of this chapter. The state board must place those schools **and school corporations** that do not show improvement and in which less than ninety percent (90%) of the students meet academic standards in the lowest category or designation."

Page 12, between lines 2 and 3, begin a new paragraph and insert:

"SECTION 32. IC 20-31-9-11 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2012]: **Sec. 11. (a) The state board shall develop and perform an annual analysis showing how school corporation spending correlates to student progress. The analysis must identify school corporations using resource allocation practices that contribute to high academic performance and cost effective operations. The analysis may include the use of student growth or improvement.**

(b) The department shall include a copy of the annual analysis



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on the department's Internet web site.

(c) The state board shall adopt rules under IC 4-22-2 to implement this section.

SECTION 33. IC 20-31-9-12 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 12. (a) This section applies the first year a school corporation is placed in either of the two (2) lowest categories or designations of improvement.**

(b) The state board shall place the school corporation on notice that it is in one (1) of the two (2) lowest categories or designations of improvement. Upon receiving the notice, the governing body shall:

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

The governing body shall send a copy of the meeting minutes to the state board not later than forty-five (45) days after the public meeting.

(c) The governing body shall revise a school's strategic and continuous school improvement plan under IC 20-31-5. A revision of a school's strategic and continuous school improvement plan may include any of the following:

- (1) Shifting resources.
- (2) Changing personnel.
- (3) Requesting the state board to assist in the development of a new strategic and continuous school improvement plan.

SECTION 34. IC 20-31-9-13 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 13. (a) This section applies if, in the second year after a school corporation's initial placement in either of the two (2) lowest categories or designations, a school corporation remains in either of the two (2) lowest categories or designations.**

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

- (1) must include representatives from the community or region that the school serves; and
- (2) may include:
 - (A) school superintendents, members of a school corporation's governing body, and teachers from a school

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corporation that is in a high category or designation; and
 (B) special consultants or advisors.

(c) The expert team shall assist the school corporation:

- (1) in revising a school's strategic and continuous improvement plan; and
- (2) implementing specific improvements in performance measures determined by the department.

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

- (1) is placed in a category or designation other than the lowest two (2) categories or designations for two (2) consecutive years; or
- (2) becomes subject to section 14 or 15 of this chapter.

SECTION 35. IC 20-31-9-14 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 14. (a) This section applies if, in the third year after a school corporation's initial placement in the lowest category or designation, a school corporation remains in the lowest category or designation.

(b) The state board shall hold at least one (1) public hearing in the school corporation to take testimony concerning the feasibility of taking any of the following actions for providing a quality education to the affected students in the school corporation:

- (1) Merging the school corporation with a nearby school corporation that is not in the lowest two (2) categories or designations.
- (2) Assigning a special management team or lead partner to operate all or part of the school corporation.
- (3) Implementing the department's recommendations for improving the school corporation.
- (4) Dissolving the governing board of the school corporation and installing a state appointed governing board.
- (5) Transferring the school corporation's authority to another entity.
- (6) Requiring state board approval of the school corporation's annual budget.
- (7) Implementing other options for school corporation intervention, including those expressed at the public hearing.

(c) Notwithstanding any other law, if the state board determines that taking at least one (1) of the actions listed in subsection (b) will improve the school corporation, the state board may take at least one (1) of the actions listed in subsection (b).



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SECTION 36. IC 20-31-9-15 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 15. (a) This section applies if, in the fourth year after a school corporation is initially placed in the lowest two (2) categories or designations, the school corporation remains in either of the two (2) lowest categories or designations.**

(b) The state board shall hold at least one (1) public hearing in the school corporation to take testimony concerning the feasibility of taking any of the following actions for providing a quality education to the affected students in the school corporation:

- (1) Merging the school corporation with a nearby school corporation that is not in the lowest two (2) categories or designations.**
- (2) Assigning a special management team or lead partner to operate all or part of the school corporation.**
- (3) Implementing the department's recommendations for improving the school corporation.**
- (4) Dissolving the governing board of the school corporation and installing a state appointed governing board.**
- (5) Transferring the school corporation's authority to another entity.**
- (6) Requiring state board approval of the school corporation's annual budget.**
- (7) Taking other actions to provide a quality education for the affected students in the school corporation, including those expressed at the public hearing.**

(c) Notwithstanding any other law, if the state board determines that taking at least one (1) of the actions listed in subsection (b) will improve the school corporation, the state board may take at least one (1) of the actions listed in subsection (b)."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1324 as introduced.)

BEHNING, Chair

Committee Vote: yeas 7, nays 3.

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