
HOUSE BILL No. 1324

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-31.

Synopsis: School accountability and turnaround academies. Requires the state board of education to set specific goals for a turnaround academy, and allows the turnaround academy to be operated by a special management team. Provides that a turnaround academy that meets the goals set for it becomes an independent school. 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.

Effective: July 1, 2012.

Behning

January 11, 2012, read first time and referred to Committee on Education.

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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 20-31-2-6.2 IS ADDED TO THE INDIANA CODE
- 2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 3 1, 2012]: **Sec. 6.2. "Independent school" means a public elementary**
- 4 **school or secondary school established under IC 20-31-9-8.**
- 5 SECTION 2. IC 20-31-2-6.4 IS ADDED TO THE INDIANA CODE
- 6 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 7 1, 2012]: **Sec. 6.4. "Lead partner" means an organization that**
- 8 **employs research-based strategies to yield demonstrable and**
- 9 **sustainable results.**
- 10 SECTION 3. IC 20-31-2-6.6 IS ADDED TO THE INDIANA CODE
- 11 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 12 1, 2012]: **Sec. 6.6. "Operated turnaround academy" refers to a**
- 13 **public elementary school or secondary school that:**
- 14 **(1) is subject to IC 20-31-9.5 and to which the state board has**
- 15 **assigned a special management team to serve as the public**
- 16 **authority having administrative control and direction of the**
- 17 **school; and**



1 **(2) for the purpose of federal funding only, is considered a**
2 **local education agency.**
3 SECTION 4. IC 20-31-2-6.8 IS ADDED TO THE INDIANA CODE
4 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY**
5 **1, 2012]: Sec. 6.8. "Performance bond" means a surety provided by**
6 **a special management team under IC 20-31-9.5-1 to ensure that a**
7 **turnaround academy will meet established performance targets.**
8 SECTION 5. IC 20-31-2-7.5 IS ADDED TO THE INDIANA CODE
9 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY**
10 **1, 2012]: Sec. 7.5. "Quality review" means an evaluation of**
11 **academic quality indicators conducted by the department and**
12 **chosen team members of a school.**
13 SECTION 6. IC 20-31-9-2, AS ADDED BY P.L.1-2005, SECTION
14 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,
15 2012]: Sec. 2. (a) This section applies the first year that a school is
16 placed in the lowest category or designation of school improvement.
17 (b) The state board shall place the school and the school corporation
18 on notice that the school is in the lowest category or designation of
19 school improvement. Upon receiving the notice, the governing body
20 shall:
21 (1) issue a public notice of the school's lack of improvement; and
22 (2) hold a public hearing in which public testimony is received
23 concerning the lack of improvement.
24 (c) The committee shall revise the school's plan. A revision under
25 this subsection may include any of the following:
26 (1) Shifting resources.
27 (2) Changing personnel.
28 (3) Requesting the state board to appoint an outside team to
29 manage the school or assist in the development of a new plan.
30 (d) If the governing body approves a request for the state board to
31 appoint an outside team under subsection (c)(3), the school is
32 considered to be placed under section 3 of this chapter.
33 **(e) This section expires June 30, 2013.**
34 SECTION 7. IC 20-31-9-2.2, IS ADDED TO THE INDIANA
35 CODE AS A **NEW SECTION TO READ AS FOLLOWS**
36 **[EFFECTIVE JULY 1, 2012]: Sec. 2.2. (a) Beginning with the**
37 **category designations received for the 2012-2013 school year, this**
38 **section applies the first and second year that a school is placed in**
39 **either of the two (2) lowest categories or designations of school**
40 **improvement.**
41 **(b) The state board shall place the school and the school**
42 **corporation on notice that the school is in one (1) of the two (2)**

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1 lowest categories or designations of school improvement. Upon
2 receiving the notice, the governing body shall:

3 (1) issue a public notice of the school's lack of improvement;
4 and

5 (2) hold a public hearing in which public testimony is received
6 concerning the lack of improvement. The governing body
7 shall forward the minutes of the public meeting to the state
8 board not later than forty-five (45) days after the public
9 meeting is held.

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

12 (1) Shifting resources.

13 (2) Changing personnel.

14 (3) Requesting the state board to appoint an outside team to
15 manage the school or assist in the development of a new plan.

16 (d) If the governing body approves a request for the state board
17 to appoint an outside team under subsection (c)(3), the school is
18 subject to section 3.5 of this chapter.

19 SECTION 8. IC 20-31-9-2.5 IS ADDED TO THE INDIANA CODE
20 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
21 1, 2012]: Sec. 2.5. (a) Beginning with the category designations
22 received for the 2012-2013 school year, this section applies in the
23 second or third year that a school is placed in either of the two (2)
24 lowest categories or designations of school improvement.

25 (b) A governing body may petition the state board for
26 permission to:

27 (1) close;

28 (2) merge with a nearby school that is in a higher category or
29 designation;

30 (3) change the grade configuration of; or

31 (4) change the attendance zone of;

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

35 (c) The governing body of a school to which this section applies
36 may petition the state board to immediately restructure the school
37 by presenting a written plan to the state board setting forth the
38 proposed interventions for the school. If the state board approves
39 the petition and accepts the plan, the school:

40 (1) operates under the applicable provisions of IC 20-31-9.5;

41 and

42 (2) carries forward in the performance category or

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1 **designation in which the school is placed at the time the plan**
 2 **is accepted, and is not placed in a different performance**
 3 **category or designation.**

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

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

16 (b) The state board shall establish and assign an expert team to the
 17 school. The expert team:

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

20 (2) may include:

21 (A) school superintendents, members of governing bodies, and
 22 teachers from school corporations that are in high categories
 23 or designations; and

24 (B) special consultants or advisers.

25 (c) The expert team shall:

26 (1) assist the school in revising the school's plan; and

27 (2) recommend changes in the school that will promote
 28 improvement, including the reallocation of resources or requests
 29 for technical assistance.

30 (d) The governing body of the school corporation in which a school
 31 to which this section applies is located may petition the state board to
 32 immediately restructure the school by presenting a written plan to the
 33 state board setting forth the proposed intervention for the school. If the
 34 state board approves the petition and accepts the plan, the school:

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

36 (2) is carried forward in the same performance category or
 37 designation in which the school is placed at the time the state
 38 board accepts the plan.

39 **(e) This section expires December 31, 2016.**

40 SECTION 10. IC 20-31-9-3.5 IS ADDED TO THE INDIANA
 41 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 42 [EFFECTIVE JULY 1, 2012]: **Sec. 3.5. (a) Beginning with the**

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1 category designations received for the 2012-2013 school year, this
 2 section applies if, in the third year after initial placement in either
 3 of the two (2) lowest categories or designations of school
 4 improvement, a school remains in either of the two (2) lowest
 5 categories or designations.

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

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

10 (2) may include:

11 (A) school superintendents, members of governing bodies,
 12 and teachers from school corporations that are in high
 13 categories or designations; and

14 (B) special consultants or advisers.

15 (c) The expert team shall:

16 (1) assist the school in revising the school's plan; and

17 (2) recommend changes in the school that will promote
 18 improvement, including the reallocation of resources or
 19 requests for technical assistance.

20 (d) After a review conducted under this section, the department
 21 may offer the affected school corporation the opportunity to enter
 22 into a memorandum of agreement developed by the department.
 23 The memorandum of agreement must include the following:

24 (1) Performance goals the department expects the school to
 25 achieve.

26 (2) Specific interventions, aligned with the findings of the
 27 quality review, to improve the academic outcomes of the
 28 school.

29 (e) A school to which this section applies remains subject to this
 30 section until the school:

31 (1) is placed in the middle category or designation of school
 32 improvement, or a higher category or designation of school
 33 improvement, for two (2) consecutive school years; or

34 (2) becomes subject to section 4 or 4.5 of this chapter.

35 SECTION 11. IC 20-31-9-4, AS AMENDED BY P.L.229-2011,
 36 SECTION 189, IS AMENDED TO READ AS FOLLOWS
 37 [EFFECTIVE JULY 1, 2012]: Sec. 4. (a) This section applies if, in the
 38 fifth year after initial placement in the lowest category or designation,
 39 a school still remains in the lowest category or designation.

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

41 (1) Hold at least one (1) public hearing in the school corporation
 42 where the school is located to consider and hear testimony

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- 1 concerning the following options for school improvement:
 2 (A) Merging the school with a nearby school that is in a higher
 3 category.
 4 (B) Assigning a special management team to operate all or
 5 part of the school.
 6 (C) The department's recommendations for improving the
 7 school.
 8 (D) Other options for school improvement expressed at the
 9 public hearing, including closing the school.
 10 (E) Revising the school's plan in any of the following areas:
 11 (i) Changes in school procedures or operations.
 12 (ii) Professional development.
 13 (iii) Intervention for individual teachers or administrators.
 14 (2) If the state board determines that intervention will improve the
 15 school, implement at least one (1) of the options listed in
 16 subdivision (1).
 17 (c) Unless the school is closed or merged, a school that is subject to
 18 ~~improvement~~ **intervention** under this section becomes a turnaround
 19 academy under IC 20-31-9.5.
 20 **(d) This section expires December 31, 2016.**
 21 SECTION 12. IC 20-31-9-4.5 IS ADDED TO THE INDIANA
 22 CODE AS A NEW SECTION TO READ AS FOLLOWS
 23 [EFFECTIVE JULY 1, 2012]: **Sec. 4.5. (a) Beginning with the**
 24 **category designations received for the 2012-2013 school year, this**
 25 **section applies if, in the fourth year after initial placement in the**
 26 **lowest category or designation of school improvement, a school**
 27 **remains in the lowest category or designation.**
 28 **(b) The state board shall do the following:**
 29 **(1) Hold at least one (1) public hearing in the school**
 30 **corporation where the school is located to consider and hear**
 31 **testimony concerning the following options:**
 32 **(A) Merging the school with a nearby school that is in a**
 33 **higher category or designation of school improvement.**
 34 **(B) Assigning a special management team to operate all or**
 35 **part of the school.**
 36 **(C) Implementing the department's recommendations for**
 37 **improving the school.**
 38 **(D) Closing the school.**
 39 **(E) Implementing other options for school intervention,**
 40 **including those expressed at the public hearing.**
 41 **(F) Closing the school and reopening it as a charter school**
 42 **or converting the school to a charter school.**

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- 1 **(2) If the state board determines that intervention will**
 2 **improve the school, implement at least one (1) of the options**
 3 **listed in subdivision (1).**
- 4 **(c) The state board may alter at any time the intervention taken**
 5 **under this section.**
- 6 SECTION 13. IC 20-31-9-5 IS ADDED TO THE INDIANA CODE
 7 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 8 1, 2012]: **Sec. 5. (a) Beginning with the category designations**
 9 **received for the 2012-2013 school year, this section applies in the**
 10 **fifth year of a school's placement in any of the two (2) lowest**
 11 **categories or designations of school improvement.**
- 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 for providing a**
 16 **quality education to the affected students through school**
 17 **intervention:**
- 18 **(A) Merging the school with a nearby school that is in a**
 19 **higher category or designation.**
- 20 **(B) Assigning a special management team or a lead partner**
 21 **to operate all or part of the school.**
- 22 **(C) Implementing the department's recommendations for**
 23 **the school.**
- 24 **(D) Closing the school.**
- 25 **(E) Implementing other options for school intervention,**
 26 **including those expressed at the public hearing.**
- 27 **(F) Closing the school and reopening it as a charter school**
 28 **or converting the school to a charter school.**
- 29 **(2) If the department determines that an intervention will**
 30 **improve the school, implement at least one (1) of the options**
 31 **listed in subdivision (1).**
- 32 **(c) Upon the recommendation of the department, the state**
 33 **board may alter at any time the intervention taken under this**
 34 **section.**
- 35 SECTION 14. IC 20-31-9-6 IS ADDED TO THE INDIANA CODE
 36 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 37 1, 2012]: **Sec. 6. (a) If the state board imposes an intervention**
 38 **under this chapter, the state board shall determine the number of**
 39 **years the school is subject to the intervention. The state board may**
 40 **decrease the number of years, or renew the intervention for**
 41 **additional periods if the state board considers the renewal to be**
 42 **necessary. Not later than July 30 of each year, the state board shall**

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1 determine whether it will continue the intervention at each school
2 that is subject to an intervention.

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

- 8 (1) designate the school as a turnaround academy;
9 (2) explain the intervention to be implemented;
10 (3) set forth the parties primarily responsible for the
11 intervention, including any special management teams;
12 (4) set forth the time period for the intervention;
13 (5) define annual goals for the turnaround academy,
14 including:
15 (A) academic goals;
16 (B) attendance goals for teachers and students;
17 (C) graduation rate goals;
18 (D) financial management goals; and
19 (E) any other goals the department determines are
20 appropriate for the school; and
21 (6) identify the consequences for failing to meet the goals.

22 (c) If the state board enters into a contract with a special
23 management team as a part of a school intervention, the state
24 board may require the special management team to secure a
25 performance bond, in an amount determined by the state board,
26 before the contract is finalized.

27 SECTION 15. IC 20-31-9-7 IS ADDED TO THE INDIANA CODE
28 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
29 1, 2012]: Sec. 7. (a) Each year, the state board shall analyze data
30 and information relating to a turnaround academy's attainment of
31 the academy's annual goals.

32 (b) In the third year of an intervention, the state board shall
33 determine whether the special management team has reached the
34 goals identified for the turnaround academy under this chapter. If
35 the goals have been reached, the state board may have the
36 performance bond required under section 6 of this chapter set
37 aside.

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

- 41 (1) enter into an agreement with a new special management
42 team; or

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- 1 **(2) implement additional interventions under section 4 of this**
 2 **chapter.**
- 3 SECTION 16. IC 20-31-9-8 IS ADDED TO THE INDIANA CODE
 4 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 5 1, 2012]: **Sec. 8. (a) The state board may release a turnaround**
 6 **academy from a special management team:**
- 7 **(1) at the end of the term set forth in section 6 of this chapter;**
 8 **or**
 9 **(2) earlier than under subdivision (1), if the turnaround**
 10 **academy has attained the goals set.**
- 11 **(b) When a turnaround academy is released from a special**
 12 **management team, the turnaround academy becomes an**
 13 **independent school, and the department shall assign the**
 14 **independent school a separate school identification number.**
- 15 SECTION 17. IC 20-31-9-9 IS ADDED TO THE INDIANA CODE
 16 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 17 1, 2012]: **(a) An independent school created under section 8 of this**
 18 **chapter:**
- 19 **(1) must be nonsectarian and nonreligious;**
 20 **(2) must be open to any student who resides in Indiana;**
 21 **(3) may not establish admission policies or limit student**
 22 **admissions in any manner in which a public school is not**
 23 **allowed to establish admission policies or limit admissions;**
 24 **(4) must offer admission to each student who resides in the**
 25 **independent school's former attendance zone; and**
 26 **(5) except as provided in subsection (b), must enroll any**
 27 **eligible student who submits a timely application for**
 28 **admission.**
- 29 **(b) This subsection applies if the number of applicants for a**
 30 **program, class, grade level, or building exceeds the capacity of the**
 31 **program, class, grade level, or building. If an independent school**
 32 **receives a greater number of applications than there are spaces for**
 33 **students:**
- 34 **(1) subsection (a)(3) and (a)(4) continue to apply; and**
 35 **(2) each timely applicant outside of the former attendance**
 36 **zone of the school must be given an equal chance of admission.**
 37 **The independent school must determine which applicant or**
 38 **applicants will be admitted to the program, class, grade level, or**
 39 **building by random drawing in a public meeting.**
- 40 **(c) An independent school may limit new admissions to:**
 41 **(1) ensure that a student who attends the independent school**
 42 **during a school year may continue to attend the independent**

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- 1 school in subsequent school years; and
 2 (2) allow the siblings of a student who attends the independent
 3 school to attend the independent school.

4 SECTION 18. IC 20-31-9-10 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 created under**
 7 **section 8 of this chapter shall be governed initially by a governing**
 8 **body appointed as follows:**

- 9 (1) **If the school is located in:**
 10 (A) a city, the mayor of the city;
 11 (B) a town, the town manager of the town; or
 12 (C) an unincorporated area of a county, the county
 13 commissioners of the county;

14 in which the school is located shall appoint three (3) members.

- 15 (2) The mayor of the city or town manager of the town, if any,
 16 in which the school is located shall forward at least ten (10)
 17 names to the state board within a reasonable time period set
 18 by the state board, from which the state board shall appoint
 19 two (2) members.

- 20 (3) The county commissioners of the county in which the
 21 school is located shall forward at least ten (10) names to the
 22 state board within a reasonable time period set by the state
 23 board, from which the state board shall appoint:

- 24 (A) two (2) members, if the school is located in a city or
 25 town; or
 26 (B) four (4) members, if the school is located in an
 27 unincorporated area of the county.

28 The initial governing body shall determine the length of terms,
 29 term limits, and other governing matters, in accordance with
 30 IC 20-23-8-7 through IC 20-23-8-8. The governing body shall
 31 submit the organization plan to the state board.

32 (b) The governing body of a school created under section 8 of
 33 this chapter may do any of the following:

- 34 (1) Enter into an agreement with the school corporation in
 35 which the school is located for the operation of the school
 36 created under section 8 of this chapter. Before an agreement
 37 is finalized, the state board:

- 38 (A) must approve the transfer of operations; and
 39 (B) may set requirements for the operation of the school.

- 40 (2) Join with another school created under section 8 of this
 41 chapter to form a single school.

- 42 (3) Apply to an appropriate sponsor to become a charter

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- 1 school.
- 2 (4) Enter into a contract with a management team to operate
- 3 the school or any part of the school.
- 4 (5) Enter into a contract with another school to provide
- 5 educational services.
- 6 (6) Operate the school.
- 7 (c) A school created under section 8 of this chapter has the
- 8 power to:
- 9 (1) sue and be sued in its own name;
- 10 (2) for educational purposes, acquire real and personal
- 11 property or an interest in real and personal property by
- 12 purchase, gift, grant, devise, or bequest;
- 13 (3) convey property; and
- 14 (4) enter into contracts in its own name, including contracts
- 15 for services.
- 16 (d) A school created under section 8 of this chapter may not do
- 17 the following:
- 18 (1) Charge tuition to any student residing within the school's
- 19 attendance zone. However, an independent school may charge
- 20 tuition for:
- 21 (A) a preschool program, unless charging tuition for the
- 22 preschool program is barred under federal law; or
- 23 (B) a latch key program;
- 24 if the school provides those programs.
- 25 (2) Except for a foreign exchange student who is not a United
- 26 States citizen, enroll a student who is not a resident of
- 27 Indiana.
- 28 (e) A school created under section 8 of this chapter is not
- 29 prohibited from delivering instructional services:
- 30 (1) through the Internet or another online arrangement; or
- 31 (2) in any manner by computer;
- 32 if the instructional services are provided to students enrolled in the
- 33 school in a manner that complies with any procedures adopted by
- 34 the department concerning online and computer instruction in
- 35 public schools.
- 36 (f) A school created under section 8 of this chapter shall comply
- 37 with IC 20-24-8-3.
- 38 (g) Except as specifically provided in this chapter, the following
- 39 do not apply to a school created under section 8 of this chapter:
- 40 (1) An Indiana statute applicable to a governing body or
- 41 school corporation.
- 42 (2) A rule or guideline adopted by the state board.

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

3 SECTION 19. IC 20-31-9.5-1, AS ADDED BY P.L.229-2011,
 4 SECTION 190, IS AMENDED TO READ AS FOLLOWS
 5 [EFFECTIVE JULY 1, 2012]: Sec. 1. (a) None of the following may be
 6 considered a school employer under IC 20-29-6 with respect to a
 7 turnaround academy:

8 (1) The state.

9 (2) The state board.

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

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

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

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

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

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

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

37 (d) The department shall do the following:

38 (1) Withhold from state tuition support and federal funds
 39 otherwise to be distributed to the school corporation of the school
 40 operated as a turnaround academy under this chapter the amount
 41 determined under subsection (c) for the affected students. The
 42 amount withheld under this subdivision may not exceed the total

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1 per pupil funding for the affected students. **Tuition support**
 2 **includes basic tuition support (as defined in IC 20-43-6),**
 3 **special education grants (as defined in IC 20-43-7), career and**
 4 **technical education grants (as defined in IC 20-43-8),**
 5 **primetime program funds (as defined in IC 20-43-9), other**
 6 **tuition support grants (as defined in IC 20-43-10), and any**
 7 **grants funded by the general assembly.**

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

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

16 SECTION 21. IC 20-31-9.5-4, AS ADDED BY P.L.229-2011,
 17 SECTION 190, IS AMENDED TO READ AS FOLLOWS
 18 [EFFECTIVE JULY 1, 2012]: Sec. 4. **(a) Except as provided in**
 19 **subsection (e), any student who lives in the attendance area served by**
 20 **a school that is operated as a turnaround academy under this chapter**
 21 **may attend the turnaround academy. The turnaround academy may not**
 22 **refuse enrollment to a student who lives in the attendance area.**

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

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

33 **(d) A school corporation is not required to provide**
 34 **transportation for a student who attends a turnaround academy**
 35 **and does not live in the attendance zone served by the turnaround**
 36 **academy, except as required under 42 U.S.C. 11431, any applicable**
 37 **court desegregation order, or the individual education plan of a**
 38 **student who receives special education services as required under**
 39 **34 CFR 300.320 and 511 IAC 7-32.**

40 **(e) Subsection (a) does not apply to a magnet school that**
 41 **becomes a turnaround academy. A magnet school that becomes a**
 42 **turnaround academy shall continue to apply the admissions**

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1 policies previously established for and consistent with the
2 operation of the magnet school.

3 SECTION 22. IC 20-31-9.5-7 IS ADDED TO THE INDIANA
4 CODE AS A NEW SECTION TO READ AS FOLLOWS
5 [EFFECTIVE JULY 1, 2012]: Sec. 7. (a) A school corporation shall
6 continue debt service payments on school corporation debt that is
7 attributable to a turnaround academy.

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

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

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

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

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

- 33 (1) Food service.
- 34 (2) Educational and administrative technology and technology
35 support.
- 36 (3) Special education services.
- 37 (4) Career and technical education services.
- 38 (5) Custodial services.
- 39 (6) Instructional services in a particular curriculum area.
- 40 (7) Textbooks and supplemental materials.
- 41 (8) Student services.
- 42 (9) Police and probation services.

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1 (10) Any other provisions the school corporation and the
2 special management team consider necessary.

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

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

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

14 SECTION 23. IC 20-31-9.5-8 IS ADDED TO THE INDIANA
15 CODE AS A NEW SECTION TO READ AS FOLLOWS
16 [EFFECTIVE JULY 1, 2012]: Sec. 8. (a) A special management team
17 shall employ teachers, other school employees, and independent
18 contractors that are:

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

21 (2) necessary for the special management team to fulfill the
22 special management team's responsibilities under this
23 chapter.

24 (b) Individuals employed by the special management team
25 under this section are entitled to participate in insurance benefits
26 offered by the special management team or offered to state
27 employees.

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

30 (1) a retirement program offered by the special management
31 team;

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

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

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

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section 7 of this chapter.

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

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

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

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

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

(3) Amend the intervention.

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

SECTION 25. IC 20-31-9.5-10 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 10. (a) A school corporation may not change the assignment of students to schools in the school corporation in a manner that changes significantly the number or grade levels of students assigned to a school that is subject to this chapter without the agreement of the special management team assigned to the school.

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

(c) The department shall:

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

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

SECTION 26. IC 20-31-9.5-11 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS

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1 [EFFECTIVE JULY 1, 2012]: **Sec. 11. (a) A special management**
2 **team shall comply with IC 5-14-1.5 and IC 5-14-3.**

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

6 SECTION 27. IC 20-31-12 IS ADDED TO THE INDIANA CODE
7 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
8 JULY 1, 2012]:

9 **Chapter 12. High Performing School Corporations**

10 **Sec. 1. This chapter applies to a school corporation:**

11 **(1) that for at least two (2) consecutive school years has been**
12 **placed in the highest category or designation of performance;**
13 **and**

14 **(2) all schools within which have placed in the two (2) highest**
15 **categories or designations of performance for at least two (2)**
16 **consecutive school years.**

17 **Sec. 2. The department shall designate a school corporation to**
18 **which this chapter applies as a high performing school**
19 **corporation.**

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

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

24 **(1) IC 20-30-2-2 (length of student instructional days).**

25 **(2) IC 20-30-2-3 (minimum number of student instructional**
26 **days).**

27 **(3) IC 20-30-2-4 (penalty for failure to conduct minimum**
28 **number of student instructional days).**

29 **(4) IC 20-30-2-7 (minimum length of school term).**

30 **(5) IC 20-30-14-2(6) (application requirements for community**
31 **or volunteer service credits).**

32 **(6) IC 20-31-5-1 through IC 20-31-5-6 (strategic and**
33 **continuous school improvement and achievement plans).**

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

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