



February 19, 2013

# HOUSE BILL No. 1337

DIGEST OF HB 1337 (Updated February 19, 2013 12:57 pm - DI 71)

**Citations Affected:** IC 20-23; IC 20-24; IC 20-25; IC 20-26; IC 20-31; IC 20-32; noncode.

**Synopsis:** School accountability and turnaround academies. Provides that academic growth is the primary measure of assessing school performance. 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 may either be returned to the control of its school corporation or become an independent school. Sets forth provisions concerning the operation of a turnaround academy and an independent school. Requires the state board to have performed an annual analysis showing how school corporation spending correlates to student progress, and requires the department of education to include a copy of the annual analysis on the department's Internet web site. Sets forth consequences for schools that are in the two lowest categories or designations of school performance. Provides that a school corporation may be declared fiscally insolvent and placed into receivership. Creates a designation of "high performing school corporation", and provides that certain statutes and rules may be waived for a high performing school corporation. Provides that a waiver of the requirements for graduation for a student must be approved by the state board. Repeals provisions concerning: (1) graduation standards in effect before July 1, 2010; (2) a parent's request to exempt a student from Core 40 requirement; (3) a student not passing at least three Core 40 courses; (4) a student scoring within the twenty-fifth percentile or lower on a graduation examination; and (5) a student whose parent does not attend a meeting with the student and a counselor. Establishes the select commission on education to study the feasibility of establishing consequences for low-performing school corporations. Makes conforming amendments.

**Effective:** Upon passage; July 1, 2013.

## Behning

January 17, 2013, read first time and referred to Committee on Education.  
February 19, 2013, amended, reported — Do Pass.

HB 1337—LS 7466/DI 71+



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February 19, 2013

First Regular Session 118th General Assembly (2013)

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 2012 Regular Session of the General Assembly.

## HOUSE BILL No. 1337

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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, 2013]: 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.

HB 1337—LS 7466/DI 71+



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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, 2013]: 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, 2013]: 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, 2013]: 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, 2013]: 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, 2013]: 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, 2013]: 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, 2013]: 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, 2013]: 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 20-24-2.2-2, AS ADDED BY P.L.91-2011,

22 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

23 JULY 1, 2013]: Sec. 2. The minimum standards for renewal and the

24 standards to avoid closure imposed by sponsors on the charter school

25 in the charter school agreement must include a requirement that the

26 charter school not fall within the application of IC 20-31-9-4 (**before**

27 **its expiration on June 30, 2017) or IC 20-31-9-5 (after June 29,**

28 **2017)**, notwithstanding IC 20-31-9-1.

29 SECTION 11. IC 20-25-3-4, AS AMENDED BY P.L.179-2011,

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

31 JULY 1, 2013]: Sec. 4. (a) **Except as provided in IC 20-31-9-14 or**

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

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

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

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

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

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

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

39 may reside in the same school board district.

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

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

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

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- 1 positions, eligible voters from all the districts may vote for that  
2 candidate.
- 3 (d) If a candidate files to run for a position on the board, the  
4 candidate must specify whether the candidate is running for a district  
5 or an at-large position.
- 6 (e) A candidate who runs for a district or an at-large position wins  
7 if the candidate receives the greatest number of votes of all the  
8 candidates for the position.
- 9 (f) Districts shall be established within the school city by the state  
10 board. The districts must be drawn on the basis of precinct lines, and  
11 as nearly as practicable, of equal population with the population of the  
12 largest district not to exceed the population of the smallest district by  
13 more than five percent (5%). District lines must not cross precinct  
14 lines. The state board shall establish:
- 15 (1) balloting procedures for the election under IC 3; and  
16 (2) other procedures required to implement this section.
- 17 (g) A member of the board serves under section 3 of this chapter.
- 18 (h) In accordance with subsection (k), a vacancy in the board shall  
19 be filled temporarily by the board as soon as practicable after the  
20 vacancy occurs. The member chosen by the board to fill a vacancy  
21 holds office until the member's successor is elected and qualified. The  
22 successor shall be elected at the next regular school board election  
23 occurring after the date on which the vacancy occurs. The successor  
24 fills the vacancy for the remainder of the term.
- 25 (i) An individual elected to serve on the board begins the  
26 individual's term on January 1 immediately following the individual's  
27 election.
- 28 (j) Notwithstanding any law to the contrary, each voter must cast a  
29 vote for a school board candidate or school board candidates by voting  
30 system or paper ballot. However, the same method used to cast votes  
31 for all other offices for which candidates have qualified to be on the  
32 election ballot must be used for the board offices.
- 33 (k) If a vacancy in the board exists because of the death of a  
34 member, the remaining members of the board shall meet and select an  
35 individual to fill the vacancy in accordance with subsection (h) after  
36 the secretary of the board receives notice of the death under IC 5-8-6.
- 37 SECTION 12. IC 20-26-5-4.5, AS ADDED BY P.L.90-2011,  
38 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
39 JULY 1, 2013]: Sec. 4.5. (a) The superintendent is responsible for  
40 selecting and discharging principals, central office administrators,  
41 business managers, superintendents of building and grounds, janitors,  
42 physicians, dentists, nurses, athletic coaches (whether or not they are

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1 otherwise employed by the school corporation and whether or not they  
2 are licensed under IC 20-28-5), and any other employees necessary to  
3 the operation of the school corporation, subject to the approval of the  
4 governing body.

5 (b) Subject to IC 20-28-7.5, the superintendent and principal are  
6 responsible for selecting and discharging teachers, teachers aides,  
7 assistant principals, building administrative staff, librarians, and any  
8 other employees necessary to the operation of the school, subject to the  
9 approval of the governing body.

10 **(c) Notwithstanding subsection (b), a principal has the final**  
11 **authority when selecting a teacher to be hired for a position under**  
12 **the principal's oversight.**

13 SECTION 13. IC 20-31-2-1.5 IS ADDED TO THE INDIANA  
14 CODE AS A NEW SECTION TO READ AS FOLLOWS  
15 [EFFECTIVE JULY 1, 2013]: **Sec. 1.5. "Academic growth" refers to**  
16 **the change in student achievement from one (1) academic year to**  
17 **the following academic year, as measured against Indiana**  
18 **academic standards.**

19 SECTION 14. IC 20-31-2-1.7 IS ADDED TO THE INDIANA  
20 CODE AS A NEW SECTION TO READ AS FOLLOWS  
21 [EFFECTIVE JULY 1, 2013]: **Sec. 1.7. "Affected student" refers to**  
22 **a student enrolled in a school at the time the school is designated as**  
23 **a turnaround academy, as measured by the student count**  
24 **occurring on the student count date immediately preceding the**  
25 **designation.**

26 SECTION 15. IC 20-31-2-6.2 IS ADDED TO THE INDIANA  
27 CODE AS A NEW SECTION TO READ AS FOLLOWS  
28 [EFFECTIVE JULY 1, 2013]: **Sec. 6.2. "Independent school" means**  
29 **a public elementary school or secondary school established under**  
30 **IC 20-31-9-8.**

31 SECTION 16. IC 20-31-2-6.4 IS ADDED TO THE INDIANA  
32 CODE AS A NEW SECTION TO READ AS FOLLOWS  
33 [EFFECTIVE JULY 1, 2013]: **Sec. 6.4. "Lead partner" means an**  
34 **organization that employs research based strategies to yield**  
35 **demonstrable and sustainable results.**

36 SECTION 17. IC 20-31-2-6.6 IS ADDED TO THE INDIANA  
37 CODE AS A NEW SECTION TO READ AS FOLLOWS  
38 [EFFECTIVE JULY 1, 2013]: **Sec. 6.6. "Operated turnaround**  
39 **academy" refers to a public elementary school or secondary school**  
40 **that:**

41 **(1) is subject to IC 20-31-9.5 and to which the state board has**  
42 **assigned a special management team to serve as the public**

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1 authority having administrative control and direction of the  
 2 school; and  
 3 (2) for the purpose of federal funding and state reporting  
 4 requirements is considered a local education agency.

5 SECTION 18. IC 20-31-2-6.8 IS ADDED TO THE INDIANA  
 6 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 7 [EFFECTIVE JULY 1, 2013]: **Sec. 6.8. "Performance bond" means**  
 8 **a surety bond provided by a special management team under**  
 9 **IC 20-31-9-6(c) to ensure that a turnaround academy will meet**  
 10 **established performance targets.**

11 SECTION 19. IC 20-31-2-7.5 IS ADDED TO THE INDIANA  
 12 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 13 [EFFECTIVE JULY 1, 2013]: **Sec. 7.5. "Quality review" means an**  
 14 **evaluation of academic quality indicators conducted by the**  
 15 **department and chosen team members of a school.**

16 SECTION 20. IC 20-31-2-10, AS AMENDED BY P.L.160-2012,  
 17 SECTION 51, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 18 JULY 1, 2013]: **Sec. 10. "Turnaround academy" means a school that is**  
 19 **subject to IC 20-31-9.5 and for the purpose of federal funding only;**  
 20 **and state reporting requirements is considered a local educational**  
 21 **agency.**

22 SECTION 21. IC 20-31-8-1, AS ADDED BY P.L.1-2005,  
 23 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 24 JULY 1, 2013]: **Sec. 1. (a) The performance of a school's students on**  
 25 **the ISTEP program test and other assessments recommended by the**  
 26 **education roundtable and approved by the state board are the primary**  
 27 **and majority means of assessing a school's ~~improvement.~~ academic**  
 28 **growth.**

29 (b) The education roundtable shall examine and make  
 30 recommendations to the state board concerning:

- 31 (1) performance indicators to be used as a secondary means of
- 32 determining school progress;
- 33 (2) expected progress levels, ~~continuous improvement measures;~~
- 34 **expected levels of academic growth**, distributional performance
- 35 levels, and absolute performance levels for schools; and
- 36 (3) an orderly transition from ~~the performance based accreditation~~
- 37 ~~system existing school accountability models~~ to the assessment
- 38 system set forth in this article.

39 (c) The education roundtable shall consider methods of measuring  
 40 ~~improvement and progress~~ **academic growth** used in other states in  
 41 developing recommendations under this section.

42 SECTION 22. IC 20-31-8-2, AS ADDED BY P.L.1-2005,

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1 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
2 JULY 1, 2013]: Sec. 2. (a) In addition to scores on the ISTEP program  
3 test and other assessments, the department shall use the performance  
4 indicators developed under section 1 of this chapter ~~and the~~  
5 ~~benchmarks and indicators of performance in each school corporation's~~  
6 ~~annual performance report~~ as a secondary means of assessing the  
7 ~~improvement performance~~ of each school and school corporation.

8 (b) **The state board shall adopt rules and** the department shall  
9 assess ~~improvement school performance in a manner that includes~~  
10 the following manner: **process as a significant portion of the**  
11 **determination:**

12 (1) Compare each school and each school corporation with its  
13 own prior performance and not to the performance of other  
14 schools or school corporations.

15 (2) Compare the results in the annual report under IC 20-20-8  
16 with the benchmarks and indicators of performance established in  
17 the plan for the same school.

18 (1) **Determine a minimal performance level on ISTEP, as**  
19 **recommended by the education roundtable, that reflects**  
20 **expected performance at each grade level. With advice from**  
21 **the education roundtable, the state board may also determine**  
22 **additional performance benchmarks to be used for measuring**  
23 **academic growth that are greater or less than the minimal**  
24 **performance levels.**

25 (2) **Determine the number of students who exceed the minimal**  
26 **performance levels determined under subdivision (1) and**  
27 **whose academic growth is sufficient to exceed minimal**  
28 **performance levels or higher performance benchmarks in**  
29 **future academic years.**

30 (3) **Determine the number of students who did not exceed the**  
31 **minimal performance levels determined under subdivision (1)**  
32 **but whose academic growth is projected to be sufficient to**  
33 **exceed minimal performance levels or to reach higher**  
34 **performance benchmarks in future years.**

35 (3) Compare the results for a school by comparing each student's  
36 results for each grade with the student's prior year results; with an  
37 adjustment for student mobility rate. (4) **Determine each school's**  
38 **performance level based on the number of students identified**  
39 **under subdivisions (2) and (3). The education roundtable shall**  
40 **make recommendations concerning the incorporation of a**  
41 **statistical adjustment for student mobility rates into the results.**

42 (4) Compare the results for a school with the state average and the

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1           ninet~~y~~-fifth percentile level for all assessments and performance  
2           indicators. ~~(5) Instead of grade-by-grade assessments at the~~  
3           **high school level, the state board, with advice from the**  
4           **education roundtable, may incorporate other performance**  
5           **measures to determine the performance level of a high school.**

6           **(c) Not later than the 2014-2015 school year, the accountability**  
7           **system for school performance must include a measure of student**  
8           **performance in science. If the statewide assessments for science do**  
9           **not include annual measures of performance, the state board may**  
10           **use pass and fail rates and improvements to pass and fail rates to**  
11           **determine performance only for science assessments.**

12           SECTION 23. IC 20-31-8-3, AS ADDED BY P.L.1-2005,  
13           SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
14           JULY 1, 2013]: Sec. 3. The state board shall establish, **with the advice**  
15           **of the education roundtable**, a number of categories or designations  
16           of school ~~improvement~~ **performance** based on the ~~improvement that~~  
17           a school makes in performance of the measures determined by the  
18           board with the advice of the education roundtable. The categories or  
19           designations must reflect various levels of improvement: **academic**  
20           **growth of the students in each school.**

21           SECTION 24. IC 20-31-8-4, AS ADDED BY P.L.1-2005,  
22           SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
23           JULY 1, 2013]: Sec. 4. The state board shall place each school in a  
24           category or designation of school ~~improvement~~ **performance** based on  
25           the department's findings from the assessment of ~~the improvement of~~  
26           each school **academic growth** under section 2 of this chapter. ~~The~~  
27           state board ~~must place those schools that do not show improvement and~~  
28           in which less than ninety percent (90%) of the students meet academic  
29           standards in the lowest category or designation.

30           SECTION 25. IC 20-31-9-2, AS ADDED BY P.L.1-2005,  
31           SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
32           JULY 1, 2013]: Sec. 2. (a) This section applies the first year that a  
33           school is placed in the lowest category or designation of school  
34           improvement: **performance.**

35           (b) The state board shall place the school and the school corporation  
36           on notice that the school is in the lowest category or designation of  
37           school ~~improvement:~~ **performance.** Upon receiving the notice, the  
38           governing body shall:

- 39           (1) issue a public notice of the school's ~~lack of improvement;~~  
40           **categorization or designation;** and  
41           (2) hold a public hearing in which public testimony is received  
42           concerning the ~~lack of improvement:~~ **categorization or**

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- 1           **designation.**
- 2           (c) The committee shall revise the school's plan. A revision under
- 3 this subsection may include any of the following:
- 4           (1) Shifting resources.
- 5           (2) Changing personnel.
- 6           (3) Requesting the state board to appoint an outside team to
- 7 manage the school or assist in the development of a new plan.
- 8           (d) If the governing body approves a request for the state board to
- 9 appoint an outside team under subsection (c)(3), the school is
- 10 considered to be placed under section 3 of this chapter.
- 11           **(e) This section expires June 30, 2014.**
- 12           SECTION 26. IC 20-31-9-2.2, IS ADDED TO THE INDIANA
- 13 CODE AS A NEW SECTION TO READ AS FOLLOWS
- 14 [EFFECTIVE JULY 1, 2013]: **Sec. 2.2. (a) Beginning with the**
- 15 **categorizations or designations received for the 2013-2014 school**
- 16 **year, this section applies the first year that a school is placed in**
- 17 **either of the two (2) lowest categories or designations of school**
- 18 **performance. For purposes of this chapter, placement in the**
- 19 **next-to-lowest category or designation of school performance in the**
- 20 **2013-2014 school year shall be considered as the first year a school**
- 21 **is placed in the category or designation of school performance,**
- 22 **regardless of the school's placement in the 2012-2013 school year.**
- 23           **(b) The state board shall place the school and the school**
- 24 **corporation on notice that the school is in one (1) of the two (2)**
- 25 **lowest categories or designations of school performance. Upon**
- 26 **receiving the notice, the governing body shall:**
- 27           **(1) issue a public notice of the school's designation; and**
- 28           **(2) hold a public hearing in which public testimony is received**
- 29           **concerning the categorization or designation. The governing**
- 30           **body shall provide written notification of the public hearing**
- 31           **to all parents of any student enrolled in the school. The**
- 32           **governing body shall forward the minutes of the public**
- 33           **meeting to the state board not later than forty-five (45) days**
- 34           **after the public meeting is held.**
- 35           **(c) The committee shall revise the school's plan to define annual**
- 36 **goals, including:**
- 37           **(1) academic goals, including raising the school's school**
- 38           **performance category or designation by at least two (2) levels;**
- 39           **(2) attendance goals for teachers and students;**
- 40           **(3) goals to increase the measures used to determine**
- 41           **placement in a school performance category or designation,**
- 42           **such as graduation rates;**

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- 1           **(4) financial management goals; and**
- 2           **(5) any other goals the committee determines are appropriate**
- 3           **for the school.**
- 4           **(d) A plan revision under subsection (c) may include any of the**
- 5           **following:**
- 6           **(1) Shifting resources.**
- 7           **(2) Changing personnel.**
- 8           **(3) Requesting the state board to appoint an outside team to**
- 9           **manage the school or assist in the development of a new plan.**
- 10          **(e) The school shall establish a partnership with an educational**
- 11          **service center, a postsecondary educational institution, the**
- 12          **department, or another organization approved by the state board**
- 13          **to receive assistance in implementing the revised plan.**
- 14          **(f) If the governing body approves a request for the state board**
- 15          **to appoint an outside team under subsection (d)(3), the school is**
- 16          **subject to section 3.5 of this chapter.**
- 17          SECTION 27. IC 20-31-9-2.5 IS ADDED TO THE INDIANA
- 18          CODE AS A NEW SECTION TO READ AS FOLLOWS
- 19          [EFFECTIVE JULY 1, 2013]: **Sec. 2.5. Beginning with the**
- 20          **categories or designations received for the 2013-2014 school**
- 21          **year and in addition to the requirements of section 2.2 of this**
- 22          **chapter, a school that is placed in the lowest category or**
- 23          **designation of school performance for the second consecutive year**
- 24          **or any combination of the two (2) lowest categories or designations**
- 25          **of school performance for the fourth consecutive year may be**
- 26          **subject to one (1) or more of the following actions:**
- 27          **(1) A governing body may petition the state board for**
- 28          **permission to:**
- 29                **(A) close;**
- 30                **(B) merge with a nearby school that is in a higher category**
- 31                **or designation of school performance;**
- 32                **(C) change the grade configuration of; or**
- 33                **(D) change the attendance zone of;**
- 34          **the school. The state board may grant permission to take the**
- 35          **action if the action is in the best interests of the affected**
- 36          **students.**
- 37          **(2) The governing body of the school may petition the state**
- 38          **board to immediately restructure the school by presenting a**
- 39          **written plan to the state board setting forth the proposed**
- 40          **interventions for the school. If the state board approves the**
- 41          **petition and accepts the plan, the school:**
- 42                **(A) operates under the applicable provisions of**

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1                   **IC 20-31-9.5; and**  
 2                   **(B) carries forward in the school performance category or**  
 3                   **designation in which the school is placed at the time the**  
 4                   **plan is accepted, and is not placed in a different school**  
 5                   **performance category or designation.**

6                   SECTION 28. IC 20-31-9-3, AS AMENDED BY P.L.229-2011,  
 7                   SECTION 188, IS AMENDED TO READ AS FOLLOWS  
 8                   [EFFECTIVE JULY 1, 2013]: Sec. 3. (a) This section applies if, in the  
 9                   third year after initial placement in the lowest category or designation  
 10                   **of school performance**, a school still remains in the lowest category  
 11                   or designation **of school performance**.

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

- 14                   (1) must include representatives from the community or region  
 15                   that the school serves; and
- 16                   (2) may include:
  - 17                   (A) school superintendents, members of governing bodies, and
  - 18                   teachers from school corporations that are in high categories
  - 19                   or designations; and
  - 20                   (B) special consultants or advisers.

21                   (c) The expert team shall:  
 22                   (1) assist the school in revising the school's plan; and  
 23                   (2) recommend changes in the school that will promote  
 24                   improvement, including the reallocation of resources or requests  
 25                   for technical assistance.

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

- 31                   (1) operates under the applicable provisions of IC 20-31-9.5; and
- 32                   (2) is carried forward in the same performance category or  
 33                   designation in which the school is placed at the time the state  
 34                   board accepts the plan.

35                   **(e) This section expires June 30, 2017.**

36                   SECTION 29. IC 20-31-9-3.5 IS ADDED TO THE INDIANA  
 37                   CODE AS A **NEW SECTION** TO READ AS FOLLOWS  
 38                   [EFFECTIVE JULY 1, 2013]: **Sec. 3.5. (a) Beginning with the**  
 39                   **categorizations or designations received for the 2013-2014 school**  
 40                   **year, this section applies if a school is placed in either the:**

- 41                   **(1) lowest category or designation for two (2) consecutive**  
 42                   **years; or**

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- 1           (2) two (2) lowest categories or designations of school  
2           improvement for four (4) consecutive years.
- 3           (b) In the first year after a school described in subsection (a)(1)  
4           is initially placed in the lowest category or designation of school  
5           improvement, or in the third year after a school described in  
6           subsection (a)(2) is initially placed in the two (2) lowest categories  
7           or designations of school improvement, the state board shall do the  
8           following:
- 9           (1) Place the school and the school corporation on notice that  
10           the school is in one (1) of the two (2) lowest categories or  
11           designations of school performance. Upon receiving the  
12           notice, the governing body shall:
- 13                (A) issue a public notice of the school's designation; and  
14                (B) hold a public hearing in which public testimony is  
15                received concerning the categorization or designation.
- 16           The governing body shall provide written notification of the  
17           public hearing to all parents of any student enrolled in the  
18           school. The governing body shall forward the minutes of the  
19           public hearing to the state board not later than forty-five (45)  
20           days after the public hearing is held.
- 21           (2) Establish and assign to the school an expert team to  
22           conduct a quality review. The expert team:
- 23                (A) must include representatives from the community or  
24                region that the school serves; and  
25                (B) may include:
- 26                   (i) school superintendents, members of governing bodies,  
27                   and teachers from school corporations that are in high  
28                   categories or designations of school performance;  
29                   (ii) special consultants or advisers; and  
30                   (iii) members of the school corporation's governing body.
- 31           (c) The expert team assigned in subsection (b)(2) shall:
- 32                (1) assist the school in revising the school's plan; and  
33                (2) recommend changes in the school that will promote  
34                improvement, including the reallocation of resources or  
35                requests for technical assistance.
- 36           (d) The expert team assigned in subsection (b)(2) may also  
37           review other lower grade level schools in the school corporation if  
38           the lower grade level school's students will attend a school  
39           described in subsection (a). The expert team may recommend  
40           changes to the lower grade level schools with students who will  
41           attend a school described in subsection (a).
- 42           (e) After a review conducted under this section, the state board

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- 1 may offer the affected school corporation the opportunity to enter
- 2 into a memorandum of agreement developed by the state board.
- 3 **The memorandum of agreement must include the following:**
- 4 (1) Performance goals the state board expects the school to
- 5 achieve, including:
- 6 (A) academic goals, including raising the school's school
- 7 performance category or designation by at least two (2)
- 8 levels;
- 9 (B) goals to increase the measures used to determine
- 10 placement in a school performance category or
- 11 designation, such as graduation rates; and
- 12 (C) any other goals the expert team determines are
- 13 appropriate for the school.
- 14 (2) Specific interventions, aligned with the findings of the
- 15 quality review, to improve the academic outcomes of the
- 16 school.
- 17 (f) A school to which this section applies remains subject to this
- 18 section until the school:
- 19 (1) is placed in the middle category or designation of school
- 20 performance, or a higher category or designation of school
- 21 performance, for two (2) consecutive school years; or
- 22 (2) becomes subject to section 4 or 5 of this chapter.
- 23 SECTION 30. IC 20-31-9-4, AS AMENDED BY P.L.229-2011,
- 24 SECTION 189, IS AMENDED TO READ AS FOLLOWS
- 25 [EFFECTIVE JULY 1, 2013]: Sec. 4. (a) This section applies if, in the
- 26 fifth year after initial placement in the lowest category or designation
- 27 of school performance, a school still remains in the lowest category
- 28 or designation of school performance.
- 29 (b) The state board shall do the following:
- 30 (1) Hold at least one (1) public hearing in the school corporation
- 31 where the school is located to consider and hear testimony
- 32 concerning the following options for school improvement:
- 33 (A) Merging the school with a nearby school that is in a higher
- 34 category.
- 35 (B) Assigning a special management team to operate all or
- 36 part of the school.
- 37 (C) The department's recommendations for improving the
- 38 school.
- 39 (D) Other options for school improvement expressed at the
- 40 public hearing, including closing the school.
- 41 (E) Revising the school's plan in any of the following areas:
- 42 (i) Changes in school procedures or operations.

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- 1 (ii) Professional development.
- 2 (iii) Intervention for individual teachers or administrators.
- 3 (2) If the state board determines that intervention will improve the
- 4 school, implement at least one (1) of the options listed in
- 5 subdivision (1).
- 6 (c) Unless the school is closed or merged, a school that is subject to
- 7 ~~improvement~~ **intervention** under this section becomes a turnaround
- 8 academy under IC 20-31-9.5.
- 9 **(d) This section expires June 30, 2017.**
- 10 SECTION 31. IC 20-31-9-5 IS ADDED TO THE INDIANA CODE
- 11 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 12 1, 2013]: **Sec. 5. (a) Beginning with the categorizations or**
- 13 **designations received for the 2013-2014 school year, this section**
- 14 **applies if a school is placed in either the:**
- 15 (1) lowest category or designation for three (3) consecutive
- 16 years; or
- 17 (2) two (2) lowest categories or designations of school
- 18 improvement for six (6) consecutive years.
- 19 (b) In the second year after a school described in subsection
- 20 (a)(1) is initially placed in the lowest category or designation of
- 21 school improvement or in the fifth year after a school described in
- 22 subsection (a)(2) is initially placed in the two (2) lowest categories
- 23 or designations of school improvement, the state board shall do the
- 24 following:
- 25 (1) Hold at least one (1) public hearing in the school
- 26 corporation where the school is located to consider and hear
- 27 testimony concerning the following options:
- 28 (A) Merging the school with a nearby school that is in a
- 29 higher category or designation of school performance.
- 30 (B) Assigning a special management team to operate all or
- 31 part of the school.
- 32 (C) Implementing the department's recommendations for
- 33 improving the school.
- 34 (D) Closing the school.
- 35 (E) Implementing other options for school intervention,
- 36 including those expressed at the public hearing.
- 37 (F) Closing the school and reopening it as a charter school
- 38 or converting the school to a charter school.
- 39 (2) If the state board determines that intervention will
- 40 improve the school, implement at least one (1) of the options
- 41 listed in subdivision (1).
- 42 (3) Direct the department to collect student and school

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1 information and data to inform a turnaround plan to be  
2 developed under section 6 of this chapter.

3 (c) The governing body shall provide parents of students who  
4 attend the school written notification of the public hearing  
5 described in subsection (b)(1).

6 (d) The state board may alter at any time the intervention taken  
7 under this section.

8 SECTION 32. IC 20-31-9-6 IS ADDED TO THE INDIANA CODE  
9 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
10 1, 2013]: **Sec. 6. (a) If the state board imposes an intervention**  
11 **under this chapter, the state board shall determine the number of**  
12 **years the school or school corporation is subject to the**  
13 **intervention. The state board may decrease the number of years,**  
14 **or renew the intervention for additional periods if the state board**  
15 **considers the renewal to be necessary. Not later than thirty (30)**  
16 **days after the state board approves the placement of a school or**  
17 **school corporation in a category or designation of school**  
18 **performance each year, the state board shall determine whether it**  
19 **will continue the intervention at each school or school corporation**  
20 **that is subject to an intervention.**

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

- 26 (1) designate the school as a turnaround academy;  
27 (2) explain the intervention to be implemented;  
28 (3) set forth the parties primarily responsible for the  
29 intervention, including any special management teams;  
30 (4) set forth the time period for the intervention;  
31 (5) define annual goals for the turnaround academy,  
32 including:

- 33 (A) academic goals, including raising the school's school  
34 performance category or designation by at least two (2)  
35 levels;  
36 (B) attendance goals for teachers and students;  
37 (C) goals to increase the measures used to determine  
38 placement in a school performance category or  
39 designation, such as graduation rate;  
40 (D) financial management goals; and  
41 (E) any other goals the department determines are  
42 appropriate for the school;



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- 1           (6) identify the consequences for failing to meet the goals; and
- 2           (7) be approved by the state board.
- 3           (c) If the state board enters into a contract with a special
- 4 management team as a part of a school intervention, the state
- 5 board may require the special management team to secure a
- 6 performance bond, in an amount determined by the state board,
- 7 before the contract is finalized.
- 8           (d) If the state board enters into a contract with a special
- 9 management team as part of the school intervention plan, the
- 10 governing body shall immediately provide the special management
- 11 team:
- 12           (1) access to student academic records;
- 13           (2) access to student addresses and telephone numbers; and
- 14           (3) full access to the school building.
- 15           (e) The state board shall adopt rules under IC 4-22-2 relating to
- 16 the disposition of personal property contained in a school at the
- 17 time the state board decides to convert the school into a
- 18 turnaround academy.
- 19           SECTION 33. IC 20-31-9-7 IS ADDED TO THE INDIANA CODE
- 20 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 21 1, 2013]: Sec. 7. (a) Each year, the state board shall request that the
- 22 department, another state agency, or a research institute analyze
- 23 data and information relating to each turnaround academy's
- 24 attainment of the academy's annual goals.
- 25           (b) In the third year of an intervention, the state board shall
- 26 determine whether the special management team has reached the
- 27 goals identified for the turnaround academy under this chapter. If
- 28 the goals have been reached, the state board may have the
- 29 performance bond required under section 6 of this chapter set
- 30 aside.
- 31           (c) If, after the period designated for the intervention, the state
- 32 board determines that the intervention has failed to reach the goals
- 33 set for the turnaround academy, the state board may:
- 34           (1) instruct the department to enter into an agreement with a
- 35 new special management team; or
- 36           (2) implement additional interventions under section 5 of this
- 37 chapter.
- 38           SECTION 34. IC 20-31-9-8 IS ADDED TO THE INDIANA CODE
- 39 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 40 1, 2013]: Sec. 8. (a) The state board may release a turnaround
- 41 academy from a special management team:
- 42           (1) at the end of the term set forth in section 6 of this chapter;

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1 or

2 (2) earlier than under subdivision (1), if the turnaround  
3 academy has attained the goals set.

4 (b) When a turnaround academy is released from a special  
5 management team, the state board may:

6 (1) return the designated school to the school corporation that  
7 controlled the school before the school became a turnaround  
8 academy; or

9 (2) designate the school as an independent school.

10 (c) If the state board designates a school as an independent  
11 school under subsection (b)(2), the department shall assign the  
12 independent school a separate school identification number.

13 SECTION 35. IC 20-31-9-9 IS ADDED TO THE INDIANA CODE  
14 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
15 1, 2013]: Sec. 9. (a) An independent school created under section 8  
16 of this chapter:

17 (1) must be nonsectarian and nonreligious;

18 (2) must be open to any student who resides in Indiana;

19 (3) may not establish admission policies or limit student  
20 admissions in any manner in which a public school is not  
21 allowed to establish admission policies or limit admissions;

22 (4) must offer admission to each student who resides in the  
23 independent school's former attendance zone; and

24 (5) except as provided in subsections (b) and (c), must enroll  
25 any eligible student who submits a timely application for  
26 admission.

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

32 (1) subsection (a)(3) and (a)(4) continue to apply; and

33 (2) each timely applicant outside of the former attendance  
34 zone of the school must be given an equal chance of admission.

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

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

39 (1) ensure that a student who attends the independent school  
40 during a school year may continue to attend the independent  
41 school in subsequent school years; and

42 (2) allow the siblings of a student who attends the independent

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- 1           **school to attend the independent school.**  
 2           SECTION 36. IC 20-31-9-10 IS ADDED TO THE INDIANA  
 3 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 4 [EFFECTIVE JULY 1, 2013]: **Sec. 10. (a) An independent school**  
 5 **created under section 8 of this chapter shall be governed initially**  
 6 **by a governing body appointed as follows:**  
 7           **(1) If the school is located in:**  
 8               **(A) a city, the mayor of the city;**  
 9               **(B) a town, the town manager of the town; or**  
 10              **(C) an unincorporated area of a county, the county**  
 11              **commissioners of the county;**  
 12           **in which the school is located shall appoint three (3) members.**  
 13           **(2) The mayor of the city or town manager of the town, if any,**  
 14           **in which the school is located shall forward at least ten (10)**  
 15           **names to the state board within a reasonable time period set**  
 16           **by the state board, from which the state board shall appoint**  
 17           **two (2) members.**  
 18           **(3) The county commissioners of the county in which the**  
 19           **school is located shall forward at least ten (10) names to the**  
 20           **state board within a reasonable time period set by the state**  
 21           **board, from which the state board shall appoint:**  
 22               **(A) two (2) members, if the school is located in a city or**  
 23               **town; or**  
 24               **(B) four (4) members, if the school is located in an**  
 25               **unincorporated area of the county.**  
 26           **The initial governing body shall determine the length of member**  
 27           **terms, term limits, and other governing matters, in accordance**  
 28           **with IC 20-23-8-7 through IC 20-23-8-8. The governing body shall**  
 29           **submit the organization plan to the state board.**  
 30           **(b) The governing body of an independent school created under**  
 31           **section 8 of this chapter may do any of the following:**  
 32               **(1) Enter into an agreement with the school corporation in**  
 33               **which the school is located for the operation of the school.**  
 34               **Before an agreement is finalized, the state board:**  
 35                   **(A) must approve the transfer of operations; and**  
 36                   **(B) may set requirements for the operation of the school.**  
 37               **(2) Join with another independent school created under**  
 38               **section 8 of this chapter to form a single school.**  
 39               **(3) Apply to an appropriate sponsor to become a charter**  
 40               **school.**  
 41               **(4) Enter into a contract with a management team to operate**  
 42               **the school or any part of the school.**

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- 1           (5) Enter into a contract with another school to provide  
2           educational services.
- 3           (6) Operate the school.
- 4           (c) An independent school created under section 8 of this  
5           chapter has the power to:
- 6           (1) sue and be sued in its own name;
- 7           (2) for educational purposes, acquire real and personal  
8           property or an interest in real and personal property by  
9           purchase, gift, grant, devise, or bequest;
- 10          (3) convey property; and
- 11          (4) enter into contracts in its own name, including contracts  
12          for services.
- 13          (d) An independent school created under section 8 of this  
14          chapter may not do the following:
- 15          (1) Charge tuition to any student residing within the school's  
16          attendance zone. However, the school may charge tuition for:
- 17                (A) a preschool program, unless charging tuition for the  
18                preschool program is barred under federal law; or
- 19                (B) a latch key program;
- 20          if the school provides those programs.
- 21          (2) Except for a foreign exchange student who is not a United  
22          States citizen, enroll a student who is not a resident of  
23          Indiana.
- 24          (e) An independent school created under section 8 of this  
25          chapter is not prohibited from delivering instructional services:
- 26                (1) through the Internet or another online arrangement; or
- 27                (2) in any manner by computer;
- 28          if the instructional services are provided to students enrolled in the  
29          school in a manner that complies with any procedures adopted by  
30          the department concerning online and computer instruction in  
31          public schools.
- 32          (f) An independent school created under section 8 of this  
33          chapter shall comply with applicable federal and state laws and  
34          with the Constitution of the United States and the Constitution of  
35          the State of Indiana.
- 36          (g) The accountability provisions of this chapter apply to an  
37          independent school created under section 8 of this chapter.
- 38          SECTION 37. IC 20-31-9-11 IS ADDED TO THE INDIANA  
39          CODE AS A NEW SECTION TO READ AS FOLLOWS  
40          [EFFECTIVE JULY 1, 2013]: **Sec. 11. (a) The state board shall**  
41          **request that the department, another state agency, or a research**  
42          **institute develop and perform an annual analysis showing how**

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1 school and school corporation spending correlate to student  
 2 progress. The analysis must identify school buildings and school  
 3 corporations using resource allocation practices that contribute to  
 4 high academic performance and cost effective operations. The  
 5 analysis may include the use of student growth or improvement.

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

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

10 SECTION 38. IC 20-31-9.5-1, AS ADDED BY P.L.229-2011,  
 11 SECTION 190, IS AMENDED TO READ AS FOLLOWS  
 12 [EFFECTIVE JULY 1, 2013]: Sec. 1. (a) None of the following may be  
 13 considered a school employer under IC 20-29-6 with respect to a  
 14 turnaround academy:

15 (1) The state.

16 (2) The state board.

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

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

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

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

30 SECTION 39. IC 20-31-9.5-2, AS ADDED BY P.L.229-2011,  
 31 SECTION 190, IS AMENDED TO READ AS FOLLOWS  
 32 [EFFECTIVE JULY 1, 2013]: Sec. 2. (a) If the state board assigns a  
 33 special management team under ~~IC 20-31-9-4~~ **IC 20-31-9** to operate a  
 34 school as a turnaround academy, for as long as the special management  
 35 team operates the turnaround academy:

36 (1) the special management team shall continue to use the school  
 37 building, the accompanying real property, and the building's  
 38 contents, equipment, and supplies; ~~and~~

39 (2) the school corporation shall continue to:

40 (A) **provide the special management team funding to**  
 41 **provide transportation for students attending the turnaround**  
 42 **academy at the same level of service the school corporation**

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1 provided before the school became a turnaround academy; and  
 2 (B) maintain and repair the buildings and grounds consistent  
 3 with the maintenance and repair to the school corporation's  
 4 other buildings and grounds; **and**  
 5 ~~The school corporation shall consult with the special management~~  
 6 ~~team regarding these matters.~~

7 **(3) the special management team shall determine whether the**  
 8 **school corporation will provide services or resources to meet**  
 9 **the requirements of this section.**

10 (b) If the special management team contracts ~~with a school~~  
 11 ~~corporation~~ for goods and services **with a school corporation that**  
 12 **previously operated the school currently operated by the special**  
 13 **management team**, the school corporation may not charge the special  
 14 management team more for the goods or services than the school  
 15 corporation pays for the goods or services.

16 (c) The special management team and the school corporation's board  
 17 shall hold a joint public meeting at least two (2) times each year to  
 18 discuss issues and progress concerning the turnaround academy.

19 SECTION 40. IC 20-31-9.5-3, AS ADDED BY P.L.229-2011,  
 20 SECTION 190, IS AMENDED TO READ AS FOLLOWS  
 21 [EFFECTIVE JULY 1, 2013]: Sec. 3. (a) Turnaround academies are  
 22 eligible to receive building and technology loans administered by the  
 23 state board from the common school fund.

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

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

33 (d) The department shall do the following:  
 34 (1) Withhold from state tuition support and federal funds  
 35 otherwise to be distributed to the school corporation of the school  
 36 operated as a turnaround academy under this chapter the amount  
 37 determined under subsection (c) for the affected students. The  
 38 amount withheld under this subdivision may not exceed the total  
 39 per pupil funding for the affected students. **Tuition support**  
 40 **includes basic tuition support under IC 20-43-6, special**  
 41 **education grants under IC 20-43-7, career and technical**  
 42 **education grants under IC 20-43-8, primetime program**

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- 1           **distributions under IC 20-43-9, other tuition support grants**  
 2           **under IC 20-43-10, and any grants funded by the general**  
 3           **assembly.**  
 4           (2) Enter into any contracts necessary to implement the options  
 5           for improvement implemented for the school by the state board,  
 6           including contracts with a special management team assigned  
 7           under ~~IC 20-31-9-4~~ **IC 20-31-9** to operate the school as **a an**  
 8           **operated** turnaround academy.  
 9           (3) Make payments under the contracts entered into under  
 10          subdivision (2) with funds withheld from the school corporation  
 11          under subdivision (1).  
 12          SECTION 41. IC 20-31-9.5-4, AS ADDED BY P.L.229-2011,  
 13          SECTION 190, IS AMENDED TO READ AS FOLLOWS  
 14          [EFFECTIVE JULY 1, 2013]: Sec. 4. **(a)** Any student who lives in the  
 15          attendance area served by a school that is operated as a turnaround  
 16          academy under this chapter may attend the turnaround academy. The  
 17          turnaround academy may not refuse enrollment to a student who lives  
 18          in the attendance area.  
 19          **(b) A turnaround academy may enroll a student who resides**  
 20          **anywhere in Indiana.**  
 21          **(c) If a student who attends a turnaround academy and does not**  
 22          **live in the attendance zone served by the turnaround academy**  
 23          **chooses to participate in academic or athletic programs of the**  
 24          **turnaround academy, the transferor school corporation or an**  
 25          **association (as defined in IC 20-26-14-1) may not inhibit the**  
 26          **student's ability to participate in any level of academic or athletic**  
 27          **programs of the turnaround academy, unless the transfer is a**  
 28          **result of undue influence by the turnaround academy's**  
 29          **administrators or athletic coaches.**  
 30          **(d) A school corporation is not required to provide**  
 31          **transportation for a student who attends a turnaround academy**  
 32          **and does not live in the attendance zone served by the turnaround**  
 33          **academy, except as required under 42 U.S.C. 11431, any applicable**  
 34          **court desegregation order, or the individual education plan of a**  
 35          **student who receives special education services as required under**  
 36          **34 CFR 300.320 and 511 IAC 7.**  
 37          SECTION 42. IC 20-31-9.5-8 IS ADDED TO THE INDIANA  
 38          CODE AS A NEW SECTION TO READ AS FOLLOWS  
 39          [EFFECTIVE JULY 1, 2013]: Sec. 8. **(a) A school corporation shall**  
 40          **continue debt service payments on the school corporation's debt**  
 41          **that is attributable to a turnaround academy.**  
 42          **(b) If the state board assigns a special management team to a**

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1 school, the state board shall determine the appropriate parties to  
 2 enter into a contract that includes the following provisions:  
 3 (1) The length of the contract.  
 4 (2) The level of services provided.  
 5 (3) The entity responsible for providing necessary services to  
 6 the school and students in the school.  
 7 (4) Any other provisions the parties consider necessary.  
 8 (c) If the state board assigns a lead partner to a school, the  
 9 department, the lead partner, and the school corporation shall  
 10 enter into a contract that includes the following provisions:  
 11 (1) The length of the contract.  
 12 (2) Consideration.  
 13 (3) Performance goals, which may not be less rigorous than  
 14 those established under IC 20-31-8.  
 15 (4) Cancellation procedures.  
 16 (5) Renewal procedures.  
 17 (6) Any other provisions the department and the special  
 18 management team consider necessary.  
 19 (d) A special management team and a school corporation may  
 20 enter into a contract for the school corporation to provide any  
 21 services for a school that are in the best interest of the students  
 22 who attend the school. A contract shall specify the length of time,  
 23 level of services, and entity responsible for providing necessary  
 24 services, including the following services:  
 25 (1) Food service.  
 26 (2) Educational and administrative technology and technology  
 27 support.  
 28 (3) Special education services.  
 29 (4) Career and technical education services.  
 30 (5) Custodial services.  
 31 (6) Instructional services in a particular curriculum area.  
 32 (7) Textbooks and supplemental materials.  
 33 (8) Student services.  
 34 (9) Police and probation services.  
 35 (10) Any other provisions the school corporation and the  
 36 special management team consider necessary.  
 37 (e) A school corporation and a special management team may  
 38 enter into a contract for additional services.  
 39 (f) The state board shall resolve any disputes that arise in the  
 40 negotiation or execution of a contract under subsections (b), (c),  
 41 (d), and (e). The decision of the state board is the final agency  
 42 action under IC 4-21.5.

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

6 SECTION 43. IC 20-31-9.5-9 IS ADDED TO THE INDIANA  
7 CODE AS A NEW SECTION TO READ AS FOLLOWS  
8 [EFFECTIVE JULY 1, 2013]: **Sec. 9. (a) A special management team**  
9 **shall employ teachers, other school employees, and independent**  
10 **contractors that are:**

11 (1) described in the contract between the department and the  
12 special management team under section 8 of this chapter; and  
13 (2) necessary for the special management team to fulfill the  
14 special management team's responsibilities under this  
15 chapter.

16 (b) Individuals employed by the special management team  
17 under this section are entitled to participate in insurance benefits  
18 offered by the special management team or offered to state  
19 employees.

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

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

28 SECTION 44. IC 20-31-9.5-10 IS ADDED TO THE INDIANA  
29 CODE AS A NEW SECTION TO READ AS FOLLOWS  
30 [EFFECTIVE JULY 1, 2013]: **Sec. 10. (a) A school corporation may**  
31 **not take an action adverse to a special management team's**  
32 **operation of a school, services provided by lead partners, or**  
33 **implementation of an intervention ordered by the state board,**  
34 **including an unreasonable refusal to enter into a contract for**  
35 **services under section 8 of this chapter.**

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

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

42 (d) If the state board determines that a school corporation has

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1 taken an action prohibited under subsections (a) through (c), the  
2 state board may take one (1) or more of the following actions:

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

8 (2) Order the department to pursue any available legal or  
9 equitable remedies.

10 (3) Amend the intervention.

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

14 (e) Adverse action under this section may be considered  
15 misconduct in office or willful neglect of duty under IC 20-28-5-7.

16 SECTION 45. IC 20-31-9.5-11 IS ADDED TO THE INDIANA  
17 CODE AS A NEW SECTION TO READ AS FOLLOWS  
18 [EFFECTIVE JULY 1, 2013]: **Sec. 11. A school corporation may not  
19 change the assignment of students to schools in the school  
20 corporation in a manner that changes significantly the number or  
21 grade levels of students assigned to a school that is subject to this  
22 chapter without the agreement of the special management team  
23 assigned to the school.**

24 SECTION 46. IC 20-31-9.5-12 IS ADDED TO THE INDIANA  
25 CODE AS A NEW SECTION TO READ AS FOLLOWS  
26 [EFFECTIVE JULY 1, 2013]: **Sec. 12. (a) A special management  
27 team shall comply with IC 5-14-1.5 and IC 5-14-3.**

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

31 SECTION 47. IC 20-31-12 IS ADDED TO THE INDIANA CODE  
32 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
33 JULY 1, 2013]:

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

35 **Sec. 1. As used in this chapter, "high performing school  
36 corporation" means a school corporation:**

37 (1) that for at least two (2) consecutive school years has been  
38 placed in the highest category or designation of school  
39 performance; and

40 (2) all schools within which have placed in the two (2) highest  
41 categories or designations of school performance for at least  
42 two (2) consecutive school years.

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1           **Sec. 2. The department shall designate a school corporation**  
2 **described in section 1 of this chapter as a high performing school**  
3 **corporation.**

4           **Sec. 3. (a) The state board may waive any rule adopted by the**  
5 **state board for a high performing school corporation.**

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

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

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

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

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

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

16               **(6) IC 20-31-5-1 through IC 20-31-5-6 (strategic and**  
17 **continuous school improvement and achievement plan).**

18               **(7) IC 20-31-4-6(3) (curriculum offerings required for full**  
19 **accreditation status).**

20           **(c) The department shall consider the higher performing status**  
21 **of a high performing school corporation when reviewing the school**  
22 **corporation's grant applications or applications of schools in the**  
23 **high performing school corporation.**

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

31           **Sec. 5. A school corporation and each school within the school**  
32 **corporation must have full accreditation status for the school**  
33 **corporation to be designated as a high performing school**  
34 **corporation.**

35           SECTION 48. IC 20-31-13 IS ADDED TO THE INDIANA CODE  
36 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
37 JULY 1, 2013]:

38           **Chapter 13. Innovative Plans for Student Performance**

39           **Sec. 1. This chapter applies to:**

40               **(1) a school corporation that has been designated as a high**  
41 **performing school corporation under IC 20-31-12 and chooses**  
42 **to implement this chapter; and**

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- 1           (2) a school approved by the state board to implement this  
2           chapter after submitting a plan under this chapter.
- 3           Sec. 2. (a) IC 20-31 applies to a school corporation or school that  
4           implements this chapter. The composition of a local school  
5           improvement committee is determined under IC 20-31-5.
- 6           (b) The plan developed and implemented by the governing body  
7           under this chapter must contain general guidelines for decisions by  
8           educators in each school to improve student achievement in the  
9           school.
- 10          (c) The governing body's plan must provide for the publication  
11          to other schools in the school corporation, the department, and the  
12          general community those:
- 13               (1) processes;  
14               (2) innovations; and  
15               (3) approaches;  
16          that have led individual schools in the school corporation to  
17          significant improvement in student achievement.
- 18          Sec. 3. (a) Educators in each school are responsible for  
19          improving student achievement in the school and may develop the  
20          educators' own school plan to achieve improvement that:
- 21               (1) has a cost that does not exceed the amount allocated to the  
22               school under section 6 of this chapter; and  
23               (2) is not subject to a collective bargaining agreement under  
24               IC 20-29.
- 25          (b) Educators may use traditional or innovative techniques that  
26          the educators believe will:
- 27               (1) best maintain a secure and supportive educational  
28               environment; and  
29               (2) improve student achievement.
- 30          Sec. 4. Each school's plan under this chapter may include the  
31          development and maintenance of efforts to increase involvement by  
32          parents, the community, or both, in educational activities.
- 33          Sec. 5. School plans under this chapter must promote:
- 34               (1) increased options for; and  
35               (2) innovative and successful approaches to;  
36          improving student achievement.
- 37          Sec. 6. The approved general fund budget for each school for a  
38          school year must be, as nearly as is reasonable and practicable,  
39          proportionate to the total general fund budget for the school city  
40          in the same ratio as the school's estimated ADM compares to the  
41          school city's estimated ADM for that school year.
- 42          Sec. 7. (a) Each school's educators may:

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- 1 (1) determine the educational resources, goods, and services  
 2 that are necessary and appropriate for improving student  
 3 performance in the school; and  
 4 (2) obtain or purchase the educational resources, goods, and  
 5 services.
- 6 (b) Purchases and acquisitions under this section are subject to:  
 7 (1) the general guidelines developed by the board; and  
 8 (2) the school's budget.
- 9 (c) Educators may choose to allocate additional funds to the  
 10 salaries of teachers rated as effective or highly effective under  
 11 IC 20-28-11.5.
- 12 **Sec. 8.** Subject to the general guidelines developed by the board  
 13 and after consulting with the school's teachers, each school's  
 14 administrators may determine the:  
 15 (1) sources of; and  
 16 (2) part of;  
 17 the school's available budget allocated for noneducational goods  
 18 and services.
- 19 **Sec. 9.** (a) If, as a result of a school's efforts to incur less expense  
 20 than was budgeted in a fiscal year, the school has excess general  
 21 fund money after the school's expenses for the fiscal year are paid  
 22 in full, the school retains control of the excess.
- 23 (b) The school shall use excess general fund money retained  
 24 under this section during the following school year to implement  
 25 the school's plan under this chapter.
- 26 (c) The board may not consider a school's excess general fund  
 27 money retained under this section when setting or approving the  
 28 school's budget for subsequent years.
- 29 **Sec. 10.** The state board may waive the following statutes for a  
 30 high performing school corporation (as defined in IC 20-31-12-1):  
 31 (1) IC 20-30-2-2 (length of student instructional days).  
 32 (2) IC 20-30-2-3 (minimum number of student instructional  
 33 days).  
 34 (3) IC 20-30-2-4 (penalty for failure to conduct minimum  
 35 number of student instructional days).  
 36 (4) IC 20-30-2-7 (minimum length of school term).  
 37 (5) IC 20-30-14-2(6) (application requirements for community  
 38 or volunteer service credits).  
 39 (6) IC 20-31-4-6(3) (curriculum offerings required for full  
 40 accreditation status).  
 41 (7) IC 20-31-5-1 through IC 20-31-5-6 (strategic and  
 42 continuous school improvement and achievement plan).



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1 SECTION 49. IC 20-31-14 IS ADDED TO THE INDIANA CODE  
 2 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
 3 JULY 1, 2013]:

4 **Chapter 14. Receivership**

5 **Sec. 1. (a) This section applies after June 30, 2013.**

6 **(b) The state board may categorize a school corporation as**  
 7 **fiscally insolvent based on criteria established by the state board**  
 8 **under subsection (e).**

9 **(c) If the state board categorizes a school corporation as fiscally**  
 10 **insolvent, the state board shall place the school corporation on**  
 11 **notice that the school corporation has been categorized as fiscally**  
 12 **insolvent. Upon receiving the notice, the governing body shall:**

13 **(1) issue a notice of the school corporation's categorization as**  
 14 **fiscally insolvent; and**

15 **(2) hold a public hearing in which public testimony is received**  
 16 **concerning the categorization of fiscal insolvency. The**  
 17 **governing body shall forward the minutes of the public**  
 18 **hearing to the state board not later than forty-five (45) days**  
 19 **after the public hearing is held.**

20 **(d) Upon receiving the minutes of the public hearing, the state**  
 21 **board may place the school corporation that is designated as**  
 22 **fiscally insolvent in receivership as provided in this chapter.**

23 **(e) The state board shall adopt rules under IC 4-22-2 to**  
 24 **establish criteria for categorizing a school corporation as fiscally**  
 25 **insolvent.**

26 **Sec. 2. (a) Subject to subsection (b), the state board shall select**  
 27 **the receiver for a school corporation under this chapter.**

28 **(b) The state board may grant the power to select a receiver for**  
 29 **a school corporation to one (1) or more of the following entities, as**  
 30 **applicable to the school corporation based on the school**  
 31 **corporation's location:**

32 **(1) A judge of a circuit or superior court.**

33 **(2) The executive of a city.**

34 **(3) The legislative body of a city.**

35 **(4) The board of commissioners of a county.**

36 **(5) The fiscal body of a county.**

37 **(6) The legislative body of a town.**

38 **(7) The executive of a township.**

39 **(8) The legislative body of a township.**

40 **(9) The executive and legislative body of a township, jointly.**

41 **(10) The executives and legislative bodies of more than one (1)**  
 42 **township, jointly.**

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1 (c) If the state board grants the power to select a receiver to an  
 2 entity set forth in subsection (b), the state board may maintain the  
 3 right to approve or reject the entity's selection.

4 (d) An entity that has the ability to select a receiver under  
 5 subsection (b) may elect to serve as the receiver.

6 Sec. 3. For each year a school corporation is placed in  
 7 receivership, the state board shall require the following:

8 (1) Consideration of:

- 9 (A) personnel;  
 10 (B) management;  
 11 (C) plan;  
 12 (D) policy; and  
 13 (E) budget;

14 changes for the school to improve student performance at the  
 15 school.

16 (2) Identification of significant:

- 17 (A) management;  
 18 (B) personnel;  
 19 (C) plan;  
 20 (D) policy; or  
 21 (E) budget;

22 changes that in the board's judgment must be implemented to  
 23 improve the school's performance.

24 Sec. 4. (a) If a school is placed in receivership, the receiver must  
 25 take action to raise the school corporation's level of performance.  
 26 Actions that the receiver may take to raise the performance of a  
 27 school corporation in receivership include the following:

28 (1) Shifting resources.

29 (2) Changing or removing:

- 30 (A) school principals;  
 31 (B) teachers;  
 32 (C) administrators; or  
 33 (D) other staff.

34 (3) Establishing a new educational plan for the school  
 35 corporation or schools within the school corporation.

36 (4) Contracting with:

- 37 (A) a for-profit organization;  
 38 (B) a nonprofit organization; or  
 39 (C) an individual;

40 to manage the school corporation or schools within the school  
 41 corporation.

42 (5) Canceling, modifying, or renegotiating existing contracts.

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- 1           **(6) Modifying the grade configurations of schools in the school**
- 2           **corporation.**
- 3           **(7) Converting any school in the school corporation to a**
- 4           **charter school.**
- 5           **(8) Closing any school in the school corporation.**
- 6           **(9) Any other management, personnel, or policy changes that**
- 7           **the receiver expects to:**
- 8               **(A) raise the performance of the school; and**
- 9               **(B) avoid continuing receivership status for the school;**
- 10           **in the following school year.**
- 11           **(b) If this chapter is inconsistent with any other law relating to:**
- 12               **(1) education;**
- 13               **(2) teachers; or**
- 14               **(3) common schools;**
- 15           **this chapter governs.**

16           SECTION 50. IC 20-32-2-2.3 IS ADDED TO THE INDIANA  
 17 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 18 [EFFECTIVE JULY 1, 2013]: **Sec. 2.3. "Graduation examination"**  
 19 **refers to the assessment or assessments determined under**  
 20 **IC 20-32-5-15(2).**

21           SECTION 51. IC 20-32-4-0.3 IS REPEALED [EFFECTIVE JULY  
 22 1, 2013]. ~~Sec. 0.3. Notwithstanding the amendments made to section~~  
 23 ~~1 of this chapter by P.L.105-2005, the following apply before July 1,~~  
 24 ~~2010:~~

- 25           (1) To be eligible to graduate from high school, each student is
- 26           required to meet:
- 27               (A) the academic standards tested in the graduation
- 28               examination; and
- 29               (B) any additional requirements established by the governing
- 30               body;
- 31           (2) A student who does not meet the academic standards tested in
- 32           the graduation examination shall be given the opportunity to be
- 33           tested during each semester of each grade following the grade in
- 34           which the student is initially tested until the student achieves a
- 35           passing score.
- 36           (3) A student who does not achieve a passing score on the
- 37           graduation examination may be eligible to graduate if all the
- 38           following occur:
- 39               (A) The principal of the school the student attends certifies
- 40               that the student will within one (1) month of the student's
- 41               scheduled graduation date successfully complete all
- 42               components of the Core 40 curriculum as established by the

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- 1 Indiana state board of education under IC 20-30-10:  
 2 (B) The student otherwise satisfies all state and local  
 3 graduation requirements.  
 4 (4) A student who does not achieve a passing score on the  
 5 graduation examination and who does not meet the requirements  
 6 of subdivision (3) may be eligible to graduate if the student does  
 7 all the following:  
 8 (A) Takes the graduation examination in each subject area in  
 9 which the student did not achieve a passing score at least one  
 10 (1) time every school year after the school year in which the  
 11 student first takes the graduation examination.  
 12 (B) Completes remediation opportunities provided to the  
 13 student by the student's school.  
 14 (C) Maintains a school attendance rate of at least ninety-five  
 15 percent (95%) with excused absences not counting against the  
 16 student's attendance.  
 17 (D) Maintains at least a "C" average or the equivalent in the  
 18 courses comprising the credits specifically required for  
 19 graduation by rule of the board.  
 20 (E) Obtains a written recommendation from a teacher of the  
 21 student in each subject area in which the student has not  
 22 achieved a passing score. The recommendation must:  
 23 (i) be concurred in by the principal of the student's school;  
 24 and  
 25 (ii) be supported by documentation that the student has  
 26 attained the academic standard in the subject area based  
 27 upon tests other than the graduation examination or  
 28 classroom work.  
 29 (F) Otherwise satisfies all state and local graduation  
 30 requirements.  
 31 (5) This subdivision applies to a student who is a child with a  
 32 disability (as defined in IC 20-35-1-2). If the student does not  
 33 achieve a passing score on the graduation examination, the  
 34 student's case conference committee may determine that the  
 35 student is eligible to graduate if the case conference committee  
 36 finds the following:  
 37 (A) The student's teacher of record, in consultation with a  
 38 teacher of the student in each subject area in which the student  
 39 has not achieved a passing score, makes a written  
 40 recommendation to the case conference committee. The  
 41 recommendation must:  
 42 (i) be concurred in by the principal of the student's school;

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- 1 and
- 2 (ii) be supported by documentation that the student has
- 3 attained the academic standard in the subject area based
- 4 upon tests other than the graduation examination or
- 5 classroom work.
- 6 (B) The student meets all the following requirements:
- 7 (i) Retakes the graduation examination in each subject area
- 8 in which the student did not achieve a passing score as often
- 9 as required by the student's individualized education
- 10 program.
- 11 (ii) Completes remediation opportunities provided to the
- 12 student by the student's school to the extent required by the
- 13 student's individualized education program.
- 14 (iii) Maintains a school attendance rate of at least ninety-five
- 15 percent (95%) to the extent required by the student's
- 16 individualized education program with excused absences not
- 17 counting against the student's attendance.
- 18 (iv) Maintains at least a "C" average or the equivalent in the
- 19 courses comprising the credits specifically required for
- 20 graduation by rule of the board.
- 21 (v) Otherwise satisfies all state and local graduation
- 22 requirements.

23 SECTION 52. IC 20-32-4-1, AS ADDED BY P.L.105-2005,  
 24 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 25 JULY 1, 2013]: Sec. 1. (a) Except as provided in subsection (b), a  
 26 student must meet:

- 27 (1) the academic standards tested in the graduation examination;
- 28 and
- 29 (2) any additional requirements established by the governing body
- 30 of the student's school corporation;
- 31 to be eligible to graduate.

32 (b) Except as provided in sections 4, 5, and 6 7; 8; 9; and 10 of this  
 33 chapter, beginning with the class of students who expect to graduate  
 34 during the 2010-2011 school year, each student is required to meet:

- 35 (1) the academic standards tested in the graduation examination;
- 36 (2) the Core 40 course and credit requirements adopted by the
- 37 state board under IC 20-30-10; and
- 38 (3) any additional requirements established by the governing
- 39 body;
- 40 to be eligible to graduate.

41 SECTION 53. IC 20-32-4-4, AS AMENDED BY P.L.185-2006,  
 42 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 JULY 1, 2013]: Sec. 4. ~~Beginning with the 2005-2006 school year~~, A  
 2 student who does not achieve a passing score on the graduation  
 3 examination and who does not meet the requirements of section 1 of  
 4 this chapter may be eligible to graduate if the student does all the  
 5 following:

6 (1) Takes the graduation examination in each subject area in  
 7 which the student did not achieve a passing score at least one (1)  
 8 time every school year after the school year in which the student  
 9 first takes the graduation examination.

10 (2) Completes remediation opportunities provided to the student  
 11 by the student's school.

12 (3) Maintains a school attendance rate of at least ninety-five  
 13 percent (95%) with excused absences not counting against the  
 14 student's attendance.

15 (4) Maintains at least a "C" average or the equivalent in the  
 16 courses comprising the credits specifically required for graduation  
 17 by rule of the state board.

18 (5) Otherwise satisfies all state and local graduation requirements.

19 (6) Either:

20 (A) completes:

21 (i) the course and credit requirements for a general diploma,  
 22 including the career academic sequence;

23 (ii) a workforce readiness assessment; and

24 (iii) at least one (1) career exploration internship,  
 25 cooperative education, or workforce credential  
 26 recommended by the student's school; or

27 (B) obtains a written recommendation from a teacher of the  
 28 student in each subject area in which the student has not  
 29 achieved a passing score on the graduation examination. The  
 30 written recommendation must be concurred in by the principal  
 31 of the student's school and be supported by documentation that  
 32 the student has attained the academic standard in the subject  
 33 area based on:

34 (i) tests other than the graduation examination; or

35 (ii) classroom work.

36 **(7) Is approved to receive a waiver by the state board.**

37 SECTION 54. IC 20-32-4-5, AS ADDED BY P.L.1-2005,  
 38 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 39 JULY 1, 2013]: Sec. 5. (a) This section applies to a student who is a  
 40 child with a disability (as defined in IC 20-35-1-2).

41 (b) If the student does not achieve a passing score on the graduation  
 42 examination, the student's case conference committee may determine

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1 that the student is eligible to graduate if the case conference committee  
2 finds the following:

3 (1) The student's teacher of record, in consultation with a teacher  
4 of the student in each subject area in which the student has not  
5 achieved a passing score, makes a written recommendation to the  
6 case conference committee. The recommendation must:

7 (A) be concurred in by the principal of the student's school;  
8 and

9 (B) be supported by documentation that the student has  
10 attained the academic standard in the subject area based on:

- 11 (i) tests other than the graduation examination; or  
12 (ii) classroom work.

13 (2) The student meets all the following requirements:

14 (A) Retakes the graduation examination in each subject area  
15 in which the student did not achieve a passing score as often  
16 as required by the student's individualized education program.

17 (B) Completes remediation opportunities provided to the  
18 student by the student's school to the extent required by the  
19 student's individualized education program.

20 (C) Maintains a school attendance rate of at least ninety-five  
21 percent (95%) to the extent required by the student's  
22 individualized education program with excused absences not  
23 counting against the student's attendance.

24 (D) Maintains at least a "C" average or the equivalent in the  
25 courses comprising the credits specifically required for  
26 graduation by rule of the state board.

27 (E) Otherwise satisfies all state and local graduation  
28 requirements.

29 **(F) Is approved to receive a waiver by the state board.**

30 SECTION 55. IC 20-32-4-7 IS REPEALED [EFFECTIVE JULY 1,  
31 2013]. Sec. 7: Upon the request of a student's parent, the student may  
32 be exempted from the Core 40 curriculum requirement set forth in  
33 section † of this chapter and be required to complete the general  
34 curriculum to be eligible to graduate. Except as provided in section †0  
35 of this chapter, the student's parent and the student's counselor (or  
36 another staff member who assists students in course selection) shall  
37 meet to discuss the student's progress. Following the meeting, the  
38 student's parent shall determine whether the student will achieve  
39 greater educational benefits by:

40 (1) continuing the general curriculum; or

41 (2) completing the Core 40 curriculum.

42 SECTION 56. IC 20-32-4-8 IS REPEALED [EFFECTIVE JULY 1,

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1 2013]. Sec. 8: This section applies to a student who does not pass at  
 2 least three (3) courses required under the Core 40 curriculum. Except  
 3 as provided in section 10 of this chapter, the student's parent and the  
 4 student's counselor (or another staff member who assists students in  
 5 course selection) shall meet to discuss the student's progress. Following  
 6 the meeting, the student's parent shall determine whether the student  
 7 will achieve greater educational benefits by:

8 (1) continuing in the Core 40 curriculum; or

9 (2) completing the general curriculum.

10 SECTION 57. IC 20-32-4-9 IS REPEALED [EFFECTIVE JULY 1,  
 11 2013]. Sec. 9: This section applies to a student who receives a score on  
 12 the graduation examination that is in the twenty-fifth percentile or  
 13 lower when the student takes the graduation examination for the first  
 14 time. Except as provided in section 10 of this chapter, the student's  
 15 parent and the student's counselor (or another staff member who assists  
 16 students in course selection) shall meet to discuss the student's  
 17 progress. Following the meeting, the student's parent shall determine  
 18 whether the student will achieve greater educational benefits by:

19 (1) continuing in the Core 40 curriculum; or

20 (2) completing the general curriculum.

21 SECTION 58. IC 20-32-4-10 IS REPEALED [EFFECTIVE JULY  
 22 1, 2013]. Sec. 10: This section applies if the parent of a student to  
 23 whom section 8 or 9 of this chapter applies does not attend a meeting  
 24 with the student and the student's counselor after receiving two (2)  
 25 written requests to attend a meeting. If the student's parent does not  
 26 attend a meeting described in section 8 or 9 of this chapter, the student  
 27 and the student's counselor shall meet and:

28 (1) the student's counselor shall make a recommendation to the  
 29 student as to whether the student will achieve greater educational  
 30 benefits by:

31 (A) continuing in the Core 40 curriculum; or

32 (B) completing the general curriculum; and

33 (2) the student shall determine which curriculum the student will  
 34 complete.

35 SECTION 59. IC 20-32-4-11 IS ADDED TO THE INDIANA  
 36 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 37 [EFFECTIVE JULY 1, 2013]: **Sec. 11. The state board may adopt**  
 38 **rules for the consideration of waivers under sections 4 and 5 of this**  
 39 **chapter. The rules must provide that waivers may be approved**  
 40 **only on the basis of written evidence that each requirement of the**  
 41 **section under which the waiver is being sought has been attained**  
 42 **and demonstrated.**



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1 SECTION 60. IC 20-32-5-15, AS AMENDED BY P.L.229-2011,  
 2 SECTION 191, IS AMENDED TO READ AS FOLLOWS  
 3 [EFFECTIVE JULY 1, 2013]: Sec. 15. ~~(a)~~ The state superintendent  
 4 **board shall develop adopt rules establishing an ISTEP testing**  
 5 **program testing schedule in which including:**

6 (1) **annual testing for each student in grades 3 6; through 8; and**  
 7 **10 must be tested; and**

8 (2) **each student in grade 10 or grade 11 must take a graduation**  
 9 **examination: an assessment or set of assessments used to**  
 10 **determine readiness for graduation.**

11 ~~(b) The state board shall adopt rules to establish when a student is~~  
 12 ~~considered to be in grade 10 for purposes of initially taking the~~  
 13 ~~graduation examination.~~

14 SECTION 61. [EFFECTIVE UPON PASSAGE] (a) **As used in this**  
 15 **SECTION, "commission" refers to the select commission on**  
 16 **education established by subsection (b).**

17 (b) **The select commission on education is established with the**  
 18 **following members:**

19 (1) **The members of the senate education and career**  
 20 **development committee.**

21 (2) **The members of the house of representatives education**  
 22 **committee.**

23 **The chairpersons of the senate education and career development**  
 24 **committee and the house of representatives education committee**  
 25 **shall serve as co-chairpersons of the committee.**

26 (c) **The committee shall study and evaluate the feasibility of**  
 27 **establishing consequences for school corporations that are in the**  
 28 **two (2) lowest categories or designations of school performance.**

29 (d) **The committee shall submit the committee's final report to**  
 30 **the legislative council not later than December 1, 2013.**

31 (e) **The affirmative votes of a majority of the members of the**  
 32 **committee are required for the committee to take action on any**  
 33 **measure, including final reports.**

34 (f) **This SECTION expires December 31, 2013.**

35 SECTION 62. **An emergency is declared for this act.**

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## COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1337, 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 10, line 11, after "teacher" delete ":",

Page 10, delete lines 12 through 14.

Page 10, run in lines 11 through 15.

Page 11, line 12, delete "IC 20-31-9.5-1" and insert "**IC 20-31-9-6(c)**".

Page 13, line 14, delete "The effect of".

Page 13, delete lines 15 through 17.

Page 14, line 22, delete "and second".

Page 14, line 35, after "designation." insert "**The governing body shall provide written notification of the public hearing to all parents of any student enrolled in the school.**".

Page 15, delete lines 21 through 42, begin a new paragraph and insert:

"SECTION 27. IC 20-31-9-2.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 2.5. Beginning with the categorizations or designations received for the 2013-2014 school year and in addition to the requirements of section 2.2 of this chapter, a school that is placed in the lowest category or designation of school performance for the second consecutive year or any combination of the two (2) lowest categories or designations of school performance for the fourth consecutive year may be subject to one (1) or more of the following actions:**

(1) A governing body may petition the state board for permission to:

(A) close;

(B) merge with a nearby school that is in a higher category or designation of school performance;

(C) change the grade configuration of; or

(D) change the attendance zone of;

the school. The state board may grant permission to take the action if the action is in the best interests of the affected students.

(2) The governing body of the school may petition the state board to immediately restructure the school by presenting a written plan to the state board setting forth the proposed interventions for the school. If the state board approves the

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petition and accepts the plan, the school:

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

(B) carries forward in the school performance category or designation in which the school is placed at the time the plan is accepted, and is not placed in a different school performance category or designation."

Page 16, delete lines 1 through 8.

Page 16, delete lines 39 through 42, begin a new paragraph and insert:

"SECTION 29. IC 20-31-9-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3.5. (a) Beginning with the categorizations or designations received for the 2013-2014 school year, this section applies if a school is placed in either the:

- (1) lowest category or designation for two (2) consecutive years; or
- (2) two (2) lowest categories or designations of school improvement for four (4) consecutive years.

(b) In the first year after a school described in subsection (a)(1) is initially placed in the lowest category or designation of school improvement, or in the third year after a school described in subsection (a)(2) is initially placed in the two (2) lowest categories or designations of school improvement, the state board shall do the following:

(1) Place the school and the school corporation on notice that the school is in one (1) of the two (2) lowest categories or designations of school performance. Upon receiving the notice, the governing body shall:

- (A) issue a public notice of the school's designation; and
- (B) hold a public hearing in which public testimony is received concerning the categorization or designation.

The governing body shall provide written notification of the public hearing to all parents of any student enrolled in the school. The governing body shall forward the minutes of the public hearing to the state board not later than forty-five (45) days after the public hearing is held.

(2) Establish and assign to the school an expert team to conduct a quality review. The expert team:

- (A) must include representatives from the community or region that the school serves; and
- (B) may include:

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- (i) school superintendents, members of governing bodies, and teachers from school corporations that are in high categories or designations of school performance;
  - (ii) special consultants or advisers; and
  - (iii) members of the school corporation's governing body.
- (c) The expert team assigned in subsection (b)(2) shall:
- (1) assist the school in revising the school's plan; and
  - (2) recommend changes in the school that will promote improvement, including the reallocation of resources or requests for technical assistance.
- (d) The expert team assigned in subsection (b)(2) may also review other lower grade level schools in the school corporation if the lower grade level school's students will attend a school described in subsection (a). The expert team may recommend changes to the lower grade level schools with students who will attend a school described in subsection (a).
- (e) After a review conducted under this section, the state board may offer the affected school corporation the opportunity to enter into a memorandum of agreement developed by the state board. The memorandum of agreement must include the following:
- (1) Performance goals the state board expects the school to achieve, including:
    - (A) academic goals, including raising the school's school performance category or designation by at least two (2) levels;
    - (B) goals to increase the measures used to determine placement in a school performance category or designation, such as graduation rates; and
    - (C) any other goals the expert team determines are appropriate for the school.
  - (2) Specific interventions, aligned with the findings of the quality review, to improve the academic outcomes of the school.
- (f) A school to which this section applies remains subject to this section until the school:
- (1) is placed in the middle category or designation of school performance, or a higher category or designation of school performance, for two (2) consecutive school years; or
  - (2) becomes subject to section 4 or 5 of this chapter."

Delete page 17.

Page 18, delete lines 30 through 42, begin a new paragraph and insert:

HB 1337—LS 7466/DI 71+



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"SECTION 31. IC 20-31-9-5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 5. (a) Beginning with the categorizations or designations received for the 2013-2014 school year, this section applies if a school is placed in either the:**

**(1) lowest category or designation for three (3) consecutive years; or**

**(2) two (2) lowest categories or designations of school improvement for six (6) consecutive years.**

**(b) In the second year after a school described in subsection (a)(1) is initially placed in the lowest category or designation of school improvement or in the fifth year after a school described in subsection (a)(2) is initially placed in the two (2) lowest categories or designations of school improvement, the state board shall do the following:**

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

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

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

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

**(D) Closing the school.**

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

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

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

**(3) Direct the department to collect student and school information and data to inform a turnaround plan to be developed under section 6 of this chapter.**

**(c) The governing body shall provide parents of students who attend the school written notification of the public hearing described in subsection (b)(1).**

**(d) The state board may alter at any time the intervention taken under this section."**

Page 19, delete lines 1 through 17.

Page 19, line 32, after "department" insert ", with the state board's

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approval,".

Page 20, between lines 17 and 18, begin a new paragraph and insert:

**"(d) If the state board enters into a contract with a special management team as part of the school intervention plan, the governing body shall immediately provide the special management team:**

- (1) access to student academic records;**
- (2) access to student addresses and telephone numbers; and**
- (3) full access to the school building.**

**(e) The state board shall adopt rules under IC 4-22-2 relating to the disposition of personal property contained in a school at the time the state board decides to convert the school into a turnaround academy."**

Page 21, delete lines 3 through 6, begin a new paragraph and insert:

**"(b) When a turnaround academy is released from a special management team, the state board may:**

- (1) return the designated school to the school corporation that controlled the school before the school became a turnaround academy; or**
- (2) designate the school as an independent school.**

**(c) If the state board designates a school as an independent school under subsection (b)(2), the department shall assign the independent school a separate school identification number."**

Page 23, line 28, after "with the" insert "**Constitution of the United States and the**".

Page 24, delete lines 3 through 42.

Delete pages 25 through 27.

Page 28, delete lines 1 through 3.

Page 30, line 30, delete "511 IAC 7-32" and insert "**511 IAC 7**".

Page 34, between lines 11 and 12, begin a new line block indented and insert:

**"(7) IC 20-31-4-6(3) (curriculum offerings required for full accreditation status)."**

Page 36, line 22, delete ":" and insert "**(as defined in IC 20-31-12-1):**".

Page 36, line 32, after "status" delete "." and insert ")."

Page 36, line 38, delete "Academic".

Page 36, delete lines 39 through 41, begin a new paragraph and insert:

**" Sec. 1. (a) This section applies after June 30, 2013.**

**(b) The state board may categorize a school corporation as fiscally insolvent based on criteria established by the state board**

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under subsection (e).

(c) If the state board categorizes a school corporation as fiscally insolvent, the state board shall place the school corporation on notice that the school corporation has been categorized as fiscally insolvent. Upon receiving the notice, the governing body shall:

(1) issue a notice of the school corporation's categorization as fiscally insolvent; and

(2) hold a public hearing in which public testimony is received concerning the categorization of fiscal insolvency. The governing body shall forward the minutes of the public hearing to the state board not later than forty-five (45) days after the public hearing is held.

(d) Upon receiving the minutes of the public hearing, the state board may place the school corporation that is designated as fiscally insolvent in receivership as provided in this chapter.

(e) The state board shall adopt rules under IC 4-22-2 to establish criteria for categorizing a school corporation as fiscally insolvent."

Page 37, line 1, delete "academic".

Page 37, line 2, delete "an academic" and insert "a".

Page 37, line 17, delete "an academic" and insert "a".

Page 37, line 20, delete "an academic" and insert "a".

Page 37, line 21, delete "academic".

Page 37, line 22, delete "academic".

Page 37, line 40, delete "academic".

Page 37, line 41, delete "academic".

Page 37, line 42, delete "academic".

Page 38, line 2, delete "academic".

Page 38, line 11, delete "a:" and insert ":".

Page 38, line 12, after "(A)" insert "a".

Page 38, line 13, after "(B)" insert "a".

Page 38, line 14, after "(C)" insert "an".

Page 38, line 24, delete "academic".

Page 38, line 26, delete "academic".

Page 44, after line 31, begin a new paragraph and insert:

"SECTION 68. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "commission" refers to the select commission on education established by subsection (b).

(b) The select commission on education is established with the following members:

(1) The members of the senate education and career development committee.



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**(2) The members of the house of representatives education committee.**

**The chairpersons of the senate education and career development committee and the house of representatives education committee shall serve as co-chairpersons of the committee.**

**(c) The committee shall study and evaluate the feasibility of establishing consequences for school corporations that are in the two (2) lowest categories or designations of school performance.**

**(d) The committee shall submit the committee's final report to the legislative council not later than December 1, 2013.**

**(e) The affirmative votes of a majority of the members of the committee are required for the committee to take action on any measure, including final reports.**

**(f) This SECTION expires December 31, 2013.**

**SECTION 69. An emergency is declared for this act."**

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1337 as introduced.)

BEHNING, Chair

Committee Vote: yeas 7, nays 4.

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