



Reprinted
February 22, 2013

HOUSE BILL No. 1337

DIGEST OF HB 1337 (Updated February 21, 2013 5:28 pm - DI 116)

Citations Affected: 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.
February 21, 2013, read second time, amended, ordered engrossed.

HB 1337—LS 7466/DI 71+



C
o
p
y

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

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 20-26-5-4.5, AS ADDED BY P.L.90-2011,
2 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2013]: Sec. 4.5. (a) The superintendent is responsible for
4 selecting and discharging principals, central office administrators,
5 business managers, superintendents of building and grounds, janitors,
6 physicians, dentists, nurses, athletic coaches (whether or not they are
7 otherwise employed by the school corporation and whether or not they
8 are licensed under IC 20-28-5), and any other employees necessary to
9 the operation of the school corporation, subject to the approval of the
10 governing body.

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

16 (c) **Notwithstanding subsection (b), a principal has the final**
17 **authority when selecting a teacher to be hired for a position under**

HB 1337—LS 7466/DI 71+



C
O
P
Y

1 **the principal's oversight.**
 2 SECTION 2. IC 20-31-2-1.5 IS ADDED TO THE INDIANA CODE
 3 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY
 4 1, 2013]: **Sec. 1.5. "Academic growth" refers to the change in**
 5 **student achievement from one (1) academic year to the following**
 6 **academic year, as measured against Indiana academic standards.**
 7 SECTION 3. IC 20-31-2-6.2 IS ADDED TO THE INDIANA CODE
 8 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY
 9 1, 2013]: **Sec. 6.2. "Independent school" means a public elementary**
 10 **school or secondary school established under IC 20-31-9-8.**
 11 SECTION 4. IC 20-31-2-6.4 IS ADDED TO THE INDIANA CODE
 12 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY
 13 1, 2013]: **Sec. 6.4. "Lead partner" means an organization that**
 14 **employs research based strategies to yield demonstrable and**
 15 **sustainable results.**
 16 SECTION 5. IC 20-31-2-6.6 IS ADDED TO THE INDIANA CODE
 17 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY
 18 1, 2013]: **Sec. 6.6. "Operated turnaround academy" refers to a**
 19 **public elementary school or secondary school that:**
 20 **(1) is subject to IC 20-31-9.5 and to which the state board has**
 21 **assigned a special management team to serve as the public**
 22 **authority having administrative control and direction of the**
 23 **school; and**
 24 **(2) for the purpose of federal funding and state reporting**
 25 **requirements is considered a local education agency.**
 26 SECTION 6. IC 20-31-2-6.8 IS ADDED TO THE INDIANA CODE
 27 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY
 28 1, 2013]: **Sec. 6.8. "Performance bond" means a surety bond**
 29 **provided by a special management team under IC 20-31-9-6(c) to**
 30 **ensure that a turnaround academy will meet established**
 31 **performance targets.**
 32 SECTION 7. IC 20-31-2-7.5 IS ADDED TO THE INDIANA CODE
 33 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY
 34 1, 2013]: **Sec. 7.5. "Quality review" means an evaluation of**
 35 **academic quality indicators conducted by the department and**
 36 **chosen team members of a school.**
 37 SECTION 8. IC 20-31-2-10, AS AMENDED BY P.L.160-2012,
 38 SECTION 51, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JULY 1, 2013]: **Sec. 10. "Turnaround academy" means a school that is**
 40 **subject to IC 20-31-9.5 and for the purpose of federal funding ~~only,~~**
 41 **and state reporting requirements is considered a local educational**
 42 **agency.**

C
o
p
y



1 SECTION 9. IC 20-31-8-1, AS ADDED BY P.L.1-2005, SECTION
2 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,
3 2013]: Sec. 1. (a) The performance of a school's students on the ISTEP
4 program test and other assessments recommended by the education
5 roundtable and approved by the state board are the primary and
6 majority means of assessing a school's ~~improvement.~~ **academic**
7 **growth.**

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

- 10 (1) performance indicators to be used as a secondary means of
- 11 determining school progress;
- 12 (2) expected progress levels, ~~continuous improvement measures;~~
- 13 **expected levels of academic growth**, distributional performance
- 14 levels, and absolute performance levels for schools; and
- 15 (3) an orderly transition from ~~the performance based accreditation~~
- 16 **system existing school accountability models** to the assessment
- 17 system set forth in this article.

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

21 SECTION 10. IC 20-31-8-2, AS ADDED BY P.L.1-2005,
22 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 JULY 1, 2013]: Sec. 2. (a) In addition to scores on the ISTEP program
24 test and other assessments, the department shall use the performance
25 indicators developed under section 1 of this chapter ~~and the~~
26 ~~benchmarks and indicators of performance in each school corporation's~~
27 ~~annual performance report~~ as a secondary means of assessing the
28 ~~improvement performance~~ of each school and school corporation.

29 (b) ~~The state board shall adopt rules and~~ the department shall
30 assess ~~improvement school performance in a manner that includes~~
31 the following ~~manner:~~ **process as a significant portion of the**
32 **determination:**

- 33 (1) Compare each school and each school corporation with its
- 34 own prior performance and not to the performance of other
- 35 schools or school corporations.
- 36 (2) ~~Compare the results in the annual report under IC 20-20-8~~
- 37 ~~with the benchmarks and indicators of performance established in~~
- 38 ~~the plan for the same school.~~
- 39 (1) **Determine a minimal performance level on ISTEP, as**
- 40 **recommended by the education roundtable, that reflects**
- 41 **expected performance at each grade level. With advice from**
- 42 **the education roundtable, the state board may also determine**

C
o
p
y



1 additional performance benchmarks to be used for measuring
2 academic growth that are greater or less than the minimal
3 performance levels.

4 (2) Determine the number of students who exceed the minimal
5 performance levels determined under subdivision (1) and
6 whose academic growth is sufficient to exceed minimal
7 performance levels or higher performance benchmarks in
8 future academic years.

9 (3) Determine the number of students who did not exceed the
10 minimal performance levels determined under subdivision (1)
11 but whose academic growth is projected to be sufficient to
12 exceed minimal performance levels or to reach higher
13 performance benchmarks in future years.

14 (3) Compare the results for a school by comparing each student's
15 results for each grade with the student's prior year results, with an
16 adjustment for student mobility rate. (4) Determine each school's
17 performance level based on the number of students identified
18 under subdivisions (2) and (3). The education roundtable shall
19 make recommendations concerning the incorporation of a
20 statistical adjustment for student mobility rates into the results.

21 (4) Compare the results for a school with the state average and the
22 ninety-fifth percentile level for all assessments and performance
23 indicators. (5) Instead of grade-by-grade assessments at the
24 high school level, the state board, with advice from the
25 education roundtable, may incorporate other performance
26 measures to determine the performance level of a high school.

27 (c) Not later than the 2014-2015 school year, the accountability
28 system for school performance must include a measure of student
29 performance in science. If the statewide assessments for science do
30 not include annual measures of performance, the state board may
31 use pass and fail rates and improvements to pass and fail rates to
32 determine performance only for science assessments.

33 SECTION 11. IC 20-31-8-3, AS ADDED BY P.L.1-2005,
34 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
35 JULY 1, 2013]: Sec. 3. The state board shall establish, **with the advice
36 of the education roundtable**, a number of categories or designations
37 of school **improvement performance** based on the **improvement that
38 a school makes in performance of the measures determined by the
39 board with the advice of the education roundtable.** The categories or
40 designations must reflect various levels of improvement: **academic
41 growth of the students in each school.**

42 SECTION 12. IC 20-31-8-4, AS ADDED BY P.L.1-2005,



C
O
P
Y

1 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2013]: Sec. 4. The state board shall place each school in a
3 category or designation of school ~~improvement~~ **performance** based on
4 the department's findings from the assessment of ~~the improvement of~~
5 ~~each school~~ **academic growth** under section 2 of this chapter. ~~The~~
6 ~~state board must place those schools that do not show improvement and~~
7 ~~in which less than ninety percent (90%) of the students meet academic~~
8 ~~standards in the lowest category or designation.~~

9 SECTION 13. IC 20-31-9-2, AS ADDED BY P.L.1-2005,
10 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 JULY 1, 2013]: Sec. 2. (a) This section applies the first year that a
12 school is placed in the lowest category or designation of school
13 ~~improvement.~~ **performance.**

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

- 18 (1) issue a public notice of the school's ~~lack of improvement;~~
19 ~~categorization or designation;~~ and
20 (2) hold a public hearing in which public testimony is received
21 concerning the ~~lack of improvement.~~ **categorization or**
22 **designation.**

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

- 25 (1) Shifting resources.
26 (2) Changing personnel.
27 (3) Requesting the state board to appoint an outside team to
28 manage the school or assist in the development of a new plan.

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

32 **(e) This section expires June 30, 2016.**

33 SECTION 14. IC 20-31-9-2.2, IS ADDED TO THE INDIANA
34 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
35 [EFFECTIVE UPON PASSAGE]: **Sec. 2.2. (a) Beginning with the**
36 **categorizations or designations received for the 2015-2016 school**
37 **year, this section applies the first year that a school is placed in**
38 **either of the two (2) lowest categories or designations of school**
39 **performance. For purposes of this chapter, placement in the**
40 **next-to-lowest category or designation of school performance in the**
41 **2015-2016 school year shall be considered as the first year a school**
42 **is placed in the category or designation of school performance,**



C
O
P
Y

1 regardless of the school's placement in the 2014-2015 school year.

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

6 (1) issue a public notice of the school's designation; and

7 (2) hold a public hearing in which public testimony is received
8 concerning the categorization or designation. The governing
9 body shall provide written notification of the public hearing
10 to all parents of any student enrolled in the school. The
11 governing body shall forward the minutes of the public
12 meeting to the state board not later than forty-five (45) days
13 after the public meeting is held.

14 (c) The committee shall revise the school's plan to define annual
15 goals, including:

16 (1) academic goals, including raising the school's school
17 performance category or designation by at least two (2) levels;

18 (2) attendance goals for teachers and students;

19 (3) goals to increase the measures used to determine
20 placement in a school performance category or designation,
21 such as graduation rates;

22 (4) financial management goals; and

23 (5) any other goals the committee determines are appropriate
24 for the school.

25 (d) A plan revision under subsection (c) may include any of the
26 following:

27 (1) Shifting resources.

28 (2) Changing personnel.

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

31 (e) The school shall establish a partnership with an educational
32 service center, a postsecondary educational institution, the
33 department, or another organization approved by the state board
34 to receive assistance in implementing the revised plan.

35 (f) If the governing body approves a request for the state board
36 to appoint an outside team under subsection (d)(3), the school is
37 subject to section 3.5 of this chapter.

38 SECTION 15. IC 20-31-9-2.5 IS ADDED TO THE INDIANA
39 CODE AS A NEW SECTION TO READ AS FOLLOWS
40 [EFFECTIVE UPON PASSAGE]: **Sec. 2.5. Beginning with the**
41 **categorizations or designations received for the 2015-2016 school**
42 **year and in addition to the requirements of section 2.2 of this**



C
O
P
Y

1 chapter, a school that is placed in the lowest category or
 2 designation of school performance for the second consecutive year
 3 or any combination of the two (2) lowest categories or designations
 4 of school performance for the fourth consecutive year may be
 5 subject to one (1) or more of the following actions:

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

8 (A) close;

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

11 (C) change the grade configuration of; or

12 (D) change the attendance zone of;

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

16 (2) The governing body of the school may petition the state
 17 board to immediately restructure the school by presenting a
 18 written plan to the state board setting forth the proposed
 19 interventions for the school. If the state board approves the
 20 petition and accepts the plan, the school:

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

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

27 SECTION 16. IC 20-31-9-3, AS AMENDED BY P.L.229-2011,
 28 SECTION 188, IS AMENDED TO READ AS FOLLOWS
 29 [EFFECTIVE JULY 1, 2013]: Sec. 3. (a) This section applies if, in the
 30 third year after initial placement in the lowest category or designation
 31 of school performance, a school still remains in the lowest category
 32 or designation of school performance.

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

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

37 (2) may include:

38 (A) school superintendents, members of governing bodies, and
 39 teachers from school corporations that are in high categories
 40 or designations; and

41 (B) special consultants or advisers.

42 (c) The expert team shall:

C
O
P
Y



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

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

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

14 **(e) This section expires June 30, 2019.**

15 SECTION 17. IC 20-31-9-3.5 IS ADDED TO THE INDIANA
 16 CODE AS A NEW SECTION TO READ AS FOLLOWS
 17 [EFFECTIVE UPON PASSAGE]: **Sec. 3.5. (a) Beginning with the**
 18 **categorizations or designations received for the 2015-2016 school**
 19 **year, this section applies if a school is placed in either the:**

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

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

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

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

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

42 (2) Establish and assign to the school an expert team to

C
o
p
y



1 **conduct a quality review. The expert team:**

2 **(A) must include representatives from the community or**
 3 **region that the school serves; and**

4 **(B) may include:**

5 **(i) school superintendents, members of governing bodies,**
 6 **and teachers from school corporations that are in high**
 7 **categories or designations of school performance;**

8 **(ii) special consultants or advisers; and**

9 **(iii) members of the school corporation's governing body.**

10 **(c) The expert team assigned in subsection (b)(2) shall:**

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

12 **(2) recommend changes in the school that will promote**
 13 **improvement, including the reallocation of resources or**
 14 **requests for technical assistance.**

15 **(d) After a review conducted under this section, the state board**
 16 **may offer the affected school corporation the opportunity to enter**
 17 **into a memorandum of agreement developed by the state board.**

18 **The memorandum of agreement must include the following:**

19 **(1) Performance goals the state board expects the school to**
 20 **achieve, including:**

21 **(A) academic goals, including raising the school's school**
 22 **performance category or designation by at least two (2)**
 23 **levels;**

24 **(B) goals to increase the measures used to determine**
 25 **placement in a school performance category or**
 26 **designation, such as graduation rates; and**

27 **(C) any other goals the expert team determines are**
 28 **appropriate for the school.**

29 **(2) Specific interventions, aligned with the findings of the**
 30 **quality review, to improve the academic outcomes of the**
 31 **school.**

32 **(e) A school to which this section applies remains subject to this**
 33 **section until the school:**

34 **(1) is placed in the middle category or designation of school**
 35 **performance, or a higher category or designation of school**
 36 **performance, for two (2) consecutive school years; or**

37 **(2) becomes subject to section 4 or 5 of this chapter.**

38 SECTION 18. IC 20-31-9-4, AS AMENDED BY P.L.229-2011,
 39 SECTION 189, IS AMENDED TO READ AS FOLLOWS
 40 [EFFECTIVE JULY 1, 2013]: Sec. 4. (a) This section applies if, in the
 41 fifth year after initial placement in the lowest category or designation
 42 of school performance, a school still remains in the lowest category

C
O
P
Y



1 or designation of **school performance**.

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

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

6 (A) Merging the school with a nearby school that is in a higher
7 category.

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

10 (C) The department's recommendations for improving the
11 school.

12 (D) Other options for school improvement expressed at the
13 public hearing, including closing the school.

14 (E) Revising the school's plan in any of the following areas:

15 (i) Changes in school procedures or operations.

16 (ii) Professional development.

17 (iii) Intervention for individual teachers or administrators.

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

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

24 **(d) This section expires June 30, 2019.**

25 SECTION 19. IC 20-31-9-5 IS ADDED TO THE INDIANA CODE
26 AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE
27 UPON PASSAGE]: **Sec. 5. (a) Beginning with the categorizations or**
28 **designations received for the 2015-2016 school year, this section**
29 **applies if a school is placed in either the:**

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

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

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

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

C
o
p
y



- 1 (A) Merging the school with a nearby school that is in a
- 2 higher category or designation of school performance.
- 3 (B) Assigning a special management team to operate all or
- 4 part of the school.
- 5 (C) Implementing the department's recommendations for
- 6 improving the school.
- 7 (D) Closing the school.
- 8 (E) Implementing other options for school intervention,
- 9 including those expressed at the public hearing.
- 10 (F) Closing the school and reopening it as a charter school
- 11 or converting the school to a charter school.
- 12 (2) If the state board determines that intervention will
- 13 improve the school, implement at least one (1) of the options
- 14 listed in subdivision (1).
- 15 (3) Direct the department to collect student and school
- 16 information and data to inform a turnaround plan to be
- 17 developed under section 6 of this chapter.
- 18 (c) The governing body shall provide parents of students who
- 19 attend the school written notification of the public hearing
- 20 described in subsection (b)(1).
- 21 (d) The state board may alter at any time the intervention taken
- 22 under this section.
- 23 SECTION 20. IC 20-31-9-6 IS ADDED TO THE INDIANA CODE
- 24 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 25 1, 2013]: Sec. 6. (a) If the state board imposes an intervention
- 26 under this chapter, the state board shall determine the number of
- 27 years the school or school corporation is subject to the
- 28 intervention. The state board may decrease the number of years,
- 29 or renew the intervention for additional periods if the state board
- 30 considers the renewal to be necessary. Not later than thirty (30)
- 31 days after the state board approves the placement of a school or
- 32 school corporation in a category or designation of school
- 33 performance each year, the state board shall determine whether it
- 34 will continue the intervention at each school or school corporation
- 35 that is subject to an intervention.
- 36 (b) After the state board determines that an intervention is
- 37 necessary for a school, the department, with the state board's
- 38 approval, shall create a turnaround plan for the school, working
- 39 with any special management team the state board wishes to
- 40 include in the turnaround plan. The turnaround plan must:
- 41 (1) designate the school as a turnaround academy;
- 42 (2) explain the intervention to be implemented;

COPY



- 1 **(3) set forth the parties primarily responsible for the**
- 2 **intervention, including any special management teams;**
- 3 **(4) set forth the time period for the intervention;**
- 4 **(5) define annual goals for the turnaround academy,**
- 5 **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) attendance goals for teachers and students;**
 - 10 **(C) goals to increase the measures used to determine**
 - 11 **placement in a school performance category or**
 - 12 **designation, such as graduation rate;**
 - 13 **(D) financial management goals; and**
 - 14 **(E) any other goals the department determines are**
 - 15 **appropriate for the school;**
 - 16 **(6) identify the consequences for failing to meet the goals; and**
 - 17 **(7) be approved by the state board.**
- 18 **(c) If the state board enters into a contract with a special**
- 19 **management team as part of a school intervention, the state board**
- 20 **may authorize the special management team to offer instruction to**
- 21 **other grade levels that are not currently provided by the school**
- 22 **subject to the intervention.**
- 23 **(d) If the state board enters into a contract with a special**
- 24 **management team as a part of a school intervention, the state**
- 25 **board may require the special management team to secure a**
- 26 **performance bond, in an amount determined by the state board,**
- 27 **before the contract is finalized.**
- 28 **(e) If the state board enters into a contract with a special**
- 29 **management team as part of the school intervention plan, the**
- 30 **governing body shall immediately provide the special management**
- 31 **team:**
 - 32 **(1) access to student addresses and telephone numbers; and**
 - 33 **(2) full access to the school building.**
- 34 **(f) The school corporation shall provide the special management**
- 35 **team access to the academic records of a student who attends a**
- 36 **school subject to intervention at the time the student's parent**
- 37 **indicates to the school corporation the student's intent to enroll in**
- 38 **the turnaround academy operated by the special management**
- 39 **team.**
- 40 **(g) The state board shall adopt rules under IC 4-22-2 relating to**
- 41 **the disposition of personal property contained in a school at the**
- 42 **time the state board decides to convert the school into a**

COPY



1 **turnaround academy.**

2 SECTION 21. IC 20-31-9-7 IS ADDED TO THE INDIANA CODE
3 AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY
4 1, 2013]: **Sec. 7. (a) Each year, the state board shall request that the**
5 **department, another state agency, or a research institute analyze**
6 **data and information relating to each turnaround academy's**
7 **attainment of the academy's annual goals.**

8 **(b) In the third year of an intervention, the state board shall**
9 **determine whether the special management team has reached the**
10 **goals identified for the turnaround academy under this chapter. If**
11 **the goals have been reached, the state board may have the**
12 **performance bond required under section 6 of this chapter set**
13 **aside.**

14 **(c) If, after the period designated for the intervention, the state**
15 **board determines that the intervention has failed to reach the goals**
16 **set for the turnaround academy, the state board may:**

17 **(1) instruct the department to enter into an agreement with a**
18 **new special management team; or**

19 **(2) implement additional interventions under section 5 of this**
20 **chapter.**

21 SECTION 22. IC 20-31-9-8 IS ADDED TO THE INDIANA CODE
22 AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY
23 1, 2013]: **Sec. 8. (a) The state board may release a turnaround**
24 **academy from a special management team:**

25 **(1) at the end of the term set forth in section 6 of this chapter;**
26 **or**

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

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

31 **(1) return the designated school to the school corporation that**
32 **controlled the school before the school became a turnaround**
33 **academy; or**

34 **(2) designate the school as an independent school.**

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

38 SECTION 23. IC 20-31-9-9 IS ADDED TO THE INDIANA CODE
39 AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY
40 1, 2013]: **Sec. 9. (a) An independent school created under section 8**
41 **of this chapter:**

42 **(1) must be nonsectarian and nonreligious;**



C
O
P
Y

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

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

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

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

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

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

27 SECTION 24. IC 20-31-9-10 IS ADDED TO THE INDIANA
 28 CODE AS A NEW SECTION TO READ AS FOLLOWS
 29 [EFFECTIVE JULY 1, 2013]: **Sec. 10. (a) An independent school**
 30 **created under section 8 of this chapter shall be governed initially**
 31 **by a governing body appointed as follows:**

32 (1) If the school is located in:

- 33 (A) a city, the mayor of the city;
 34 (B) a town, the town manager of the town; or
 35 (C) an unincorporated area of a county, the county
 36 commissioners of the county;

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

38 (2) The mayor of the city or town manager of the town, if any,
 39 in which the school is located shall forward at least ten (10)
 40 names to the state board within a reasonable time period set
 41 by the state board, from which the state board shall appoint
 42 two (2) members.

C
O
P
Y



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

5 (A) two (2) members, if the school is located in a city or
6 town; or

7 (B) four (4) members, if the school is located in an
8 unincorporated area of the county.

9 The initial governing body shall determine the length of member
10 terms, term limits, and other governing matters, in accordance
11 with IC 20-23-8-7 through IC 20-23-8-8. The governing body shall
12 submit the organization plan to the state board.

13 (b) The governing body of an independent school created under
14 section 8 of this chapter may do any of the following:

15 (1) Enter into an agreement with the school corporation in
16 which the school is located for the operation of the school.

17 Before an agreement is finalized, the state board:

18 (A) must approve the transfer of operations; and

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

20 (2) Join with another independent school created under
21 section 8 of this chapter to form a single school.

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

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

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

28 (6) Operate the school.

29 (c) An independent school created under section 8 of this
30 chapter has the power to:

31 (1) sue and be sued in its own name;

32 (2) for educational purposes, acquire real and personal
33 property or an interest in real and personal property by
34 purchase, gift, grant, devise, or bequest;

35 (3) convey property; and

36 (4) enter into contracts in its own name, including contracts
37 for services.

38 (d) An independent school created under section 8 of this
39 chapter may not do the following:

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

42 (A) a preschool program, unless charging tuition for the

C
o
p
y



1 preschool program is barred under federal law; or
2 **(B) a latch key program;**
3 **if the school provides those programs.**
4 **(2) Except for a foreign exchange student who is not a United**
5 **States citizen, enroll a student who is not a resident of**
6 **Indiana.**
7 **(e) An independent school created under section 8 of this**
8 **chapter is not prohibited from delivering instructional services:**
9 **(1) through the Internet or another online arrangement; or**
10 **(2) in any manner by computer;**
11 **if the instructional services are provided to students enrolled in the**
12 **school in a manner that complies with any procedures adopted by**
13 **the department concerning online and computer instruction in**
14 **public schools.**
15 **(f) An independent school created under section 8 of this**
16 **chapter shall comply with applicable federal and state laws and**
17 **with the Constitution of the United States and the Constitution of**
18 **the State of Indiana.**
19 **(g) The accountability provisions of this chapter apply to an**
20 **independent school created under section 8 of this chapter.**
21 SECTION 25. IC 20-31-9-11 IS ADDED TO THE INDIANA
22 CODE AS A NEW SECTION TO READ AS FOLLOWS
23 [EFFECTIVE JULY 1, 2013]: **Sec. 11. (a) The state board shall**
24 **request that the department, another state agency, or a research**
25 **institute develop and perform an annual analysis showing how**
26 **school and school corporation spending correlate to student**
27 **progress. The analysis must identify school buildings and school**
28 **corporations using resource allocation practices that contribute to**
29 **high academic performance and cost effective operations. The**
30 **analysis may include the use of student growth or improvement.**
31 **(b) The department shall include a copy of the annual analysis**
32 **on the department's Internet web site.**
33 **(c) The state board shall adopt rules under IC 4-22-2 to**
34 **implement this section.**
35 SECTION 26. IC 20-31-9.5-1, AS ADDED BY P.L.229-2011,
36 SECTION 190, IS AMENDED TO READ AS FOLLOWS
37 [EFFECTIVE JULY 1, 2013]: **Sec. 1. (a) None of the following may be**
38 **considered a school employer under IC 20-29-6 with respect to a**
39 **turnaround academy:**
40 **(1) The state.**
41 **(2) The state board.**
42 **(3) A special management team assigned by the state board under**

C
o
p
y



1 ~~IC 20-31-9-4~~ **IC 20-31-9** to operate a school as a turnaround
2 academy.

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

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

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

13 SECTION 27. IC 20-31-9.5-2, AS ADDED BY P.L.229-2011,
14 SECTION 190, IS AMENDED TO READ AS FOLLOWS
15 [EFFECTIVE JULY 1, 2013]: Sec. 2. (a) If the state board assigns a
16 special management team under ~~IC 20-31-9-4~~ **IC 20-31-9** to operate a
17 school as a turnaround academy, for as long as the special management
18 team operates the turnaround academy:

19 (1) the special management team shall continue to use the school
20 building, the accompanying real property, and the building's
21 contents, equipment, and supplies; **and**

22 (2) the school corporation shall continue to:

23 (A) **provide the special management team funding to**
24 **provide transportation for students attending the turnaround**
25 **academy at the same level of service the school corporation**
26 **provided before the school became a turnaround academy; and**

27 (B) **maintain and repair the buildings and grounds consistent**
28 **with the maintenance and repair to the school corporation's**
29 **other buildings and grounds; and**

30 ~~The school corporation shall consult with the special management~~
31 ~~team regarding these matters.~~

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

35 (b) If the special management team contracts ~~with a school~~
36 ~~corporation~~ for goods and services **with a school corporation that**
37 **previously operated the school currently operated by the special**
38 **management team**, the school corporation may not charge the special
39 management team more for the goods or services than the school
40 corporation pays for the goods or services.

41 (c) The special management team and the school corporation's board
42 shall hold a joint public meeting at least two (2) times each year to

C
o
p
y



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42

discuss issues and progress concerning the turnaround academy.

SECTION 28. IC 20-31-9.5-3, AS ADDED BY P.L.229-2011, SECTION 190, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3. (a) Turnaround academies are eligible to receive building and technology loans administered by the state board from the common school fund.

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

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

(d) The department shall do the following:

- (1) Withhold from state tuition support and federal funds otherwise to be distributed to the school corporation of the school operated as a turnaround academy under this chapter the amount determined under subsection (c) for the affected students. **Subject to subsection (e), the amount withheld under this subdivision may not exceed the total per pupil funding for the affected attributable to the students included in the school's most recent ADM and adjusted ADM determined under IC 20-43-4. Tuition support includes basic tuition support under IC 20-43-6, special education grants under IC 20-43-7, career and technical education grants under IC 20-43-8, primetime program distributions under IC 20-43-9, other tuition support grants under IC 20-43-10, and any grants funded by the general assembly.**
- (2) Enter into any contracts necessary to implement the options for improvement implemented for the school by the state board, including contracts with a special management team assigned under ~~IC 20-31-9-4~~ **IC 20-31-9** to operate the school as a **an operated** turnaround academy.
- (3) Make payments under the contracts entered into under subdivision (2) with funds withheld from the school corporation under subdivision (1).

(e) This subsection applies to amounts withheld from a school corporation to make payments under a contract with a special management team during the second six (6) months of the calendar year in which a school within the school corporation begins

C
O
P
Y



1 operating as a turnaround academy. The amount of state tuition
 2 support and federal funds that the department may withhold from
 3 a school corporation may not exceed the total per pupil funding
 4 attributable to the students counted in the initial ADM and
 5 adjusted ADM determined under IC 20-43-4 for the school after it
 6 begins operating as a turnaround academy. The department shall
 7 adjust the amounts withheld from the school corporation on a pro
 8 rata basis over a period not to exceed six (6) months from the date
 9 on which the ADM and adjusted ADM are determined under
 10 IC 20-43-4.

11 SECTION 29. IC 20-31-9.5-4, AS ADDED BY P.L.229-2011,
 12 SECTION 190, IS AMENDED TO READ AS FOLLOWS
 13 [EFFECTIVE JULY 1, 2013]: Sec. 4. (a) Any student who lives in the
 14 attendance area served by a school that is operated as a turnaround
 15 academy under this chapter may attend the turnaround academy. The
 16 turnaround academy may not refuse enrollment to a student who lives
 17 in the attendance area.

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

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

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

36 SECTION 30. IC 20-31-9.5-8 IS ADDED TO THE INDIANA
 37 CODE AS A NEW SECTION TO READ AS FOLLOWS
 38 [EFFECTIVE JULY 1, 2013]: Sec. 8. (a) A school corporation shall
 39 continue debt service payments on the school corporation's debt
 40 that is attributable to a turnaround academy.

41 (b) If the state board assigns a special management team to a
 42 school, the state board shall determine the appropriate parties to

C
o
p
y



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

COPY



1 is assigned to operate an operated turnaround academy shall offer
 2 the special management team the opportunity to assume any lease
 3 or contract for equipment, including photocopying equipment and
 4 computer hardware.

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

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

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

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

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

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

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

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

41 (d) If the state board determines that a school corporation has
 42 taken an action prohibited under subsections (a) through (c), the



C
O
P
Y

1 state board may take one (1) or more of the following actions:

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

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

9 (3) Amend the intervention.

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

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

15 SECTION 33. IC 20-31-9.5-11 IS ADDED TO THE INDIANA
16 CODE AS A NEW SECTION TO READ AS FOLLOWS
17 [EFFECTIVE JULY 1, 2013]: **Sec. 11.** A school corporation may not
18 change the assignment of students to schools in the school
19 corporation in a manner that changes significantly the number or
20 grade levels of students assigned to a school that is subject to this
21 chapter without the agreement of the special management team
22 assigned to the school.

23 SECTION 34. IC 20-31-9.5-12 IS ADDED TO THE INDIANA
24 CODE AS A NEW SECTION TO READ AS FOLLOWS
25 [EFFECTIVE JULY 1, 2013]: **Sec. 12. (a)** A special management
26 team shall comply with IC 5-14-1.5 and IC 5-14-3.

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

30 SECTION 35. IC 20-31-12 IS ADDED TO THE INDIANA CODE
31 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
32 JULY 1, 2013]:

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

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

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

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

42 **Sec. 2.** The department shall designate a school corporation

C
o
p
y



1 described in section 1 of this chapter as a high performing school
2 corporation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

42 **(2) a school approved by the state board to implement this**

C
O
P
Y



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

COPY



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

COPY



AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]:

Chapter 14. Receivership

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 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.

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

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

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

(c) If the state board grants the power to select a receiver to an

COPY



1 entity set forth in subsection (b), the state board may maintain the
2 right to approve or reject the entity's selection.

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

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

7 (1) Consideration of:

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

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

15 (2) Identification of significant:

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

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

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

27 (1) Shifting resources.

28 (2) Changing or removing:

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

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

35 (4) Contracting with:

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

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

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

42 (6) Modifying the grade configurations of schools in the school

C
O
P
Y



1 corporation.
 2 (7) Converting any school in the school corporation to a
 3 charter school.
 4 (8) Closing any school in the school corporation.
 5 (9) Any other management, personnel, or policy changes that
 6 the receiver expects to:
 7 (A) raise the performance of the school; and
 8 (B) avoid continuing receivership status for the school;
 9 in the following school year.
 10 (b) If this chapter is inconsistent with any other law relating to:
 11 (1) education;
 12 (2) teachers; or
 13 (3) common schools;
 14 this chapter governs.
 15 SECTION 38. IC 20-32-2-2.3 IS ADDED TO THE INDIANA
 16 CODE AS A NEW SECTION TO READ AS FOLLOWS
 17 [EFFECTIVE JULY 1, 2013]: **Sec. 2.3. "Graduation examination"**
 18 **refers to the assessment or assessments determined under**
 19 **IC 20-32-5-15(2).**
 20 SECTION 39. IC 20-32-4-0.3 IS REPEALED [EFFECTIVE JULY
 21 1, 2013]. **Sec. 0.3:** Notwithstanding the amendments made to section
 22 † of this chapter by P.L.105-2005, the following apply before July †,
 23 2010:
 24 (†) To be eligible to graduate from high school, each student is
 25 required to meet:
 26 (A) the academic standards tested in the graduation
 27 examination; and
 28 (B) any additional requirements established by the governing
 29 body.
 30 (2) A student who does not meet the academic standards tested in
 31 the graduation examination shall be given the opportunity to be
 32 tested during each semester of each grade following the grade in
 33 which the student is initially tested until the student achieves a
 34 passing score.
 35 (3) A student who does not achieve a passing score on the
 36 graduation examination may be eligible to graduate if all the
 37 following occur:
 38 (A) The principal of the school the student attends certifies
 39 that the student will within one (1) month of the student's
 40 scheduled graduation date successfully complete all
 41 components of the Core 40 curriculum as established by the
 42 Indiana state board of education under IC 20-30-10.

C
O
P
Y



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

C
O
P
Y

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

22 SECTION 40. IC 20-32-4-1, AS ADDED BY P.L.105-2005,
 23 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 JULY 1, 2013]: Sec. 1. (a) Except as provided in subsection (b), a
 25 student must meet:

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

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

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

40 SECTION 41. IC 20-32-4-4, AS AMENDED BY P.L.185-2006,
 41 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 JULY 1, 2013]: Sec. 4. Beginning with the 2005-2006 school year, A

COPY



1 student who does not achieve a passing score on the graduation
 2 examination and who does not meet the requirements of section 1 of
 3 this chapter may be eligible to graduate if the student does all the
 4 following:

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

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

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

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

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

18 (6) Either:

19 (A) completes:

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

22 (ii) a workforce readiness assessment; and

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

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

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

34 (ii) classroom work.

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

36 SECTION 42. IC 20-32-4-5, AS ADDED BY P.L.1-2005,
 37 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JULY 1, 2013]: Sec. 5. (a) This section applies to a student who is a
 39 child with a disability (as defined in IC 20-35-1-2).

40 (b) If the student does not achieve a passing score on the graduation
 41 examination, the student's case conference committee may determine
 42 that the student is eligible to graduate if the case conference committee

C
O
P
Y



- 1 finds the following:
- 2 (1) The student's teacher of record, in consultation with a teacher
- 3 of the student in each subject area in which the student has not
- 4 achieved a passing score, makes a written recommendation to the
- 5 case conference committee. The recommendation must:
- 6 (A) be concurred in by the principal of the student's school;
- 7 and
- 8 (B) be supported by documentation that the student has
- 9 attained the academic standard in the subject area based on:
- 10 (i) tests other than the graduation examination; or
- 11 (ii) classroom work.
- 12 (2) The student meets all the following requirements:
- 13 (A) Retakes the graduation examination in each subject area
- 14 in which the student did not achieve a passing score as often
- 15 as required by the student's individualized education program.
- 16 (B) Completes remediation opportunities provided to the
- 17 student by the student's school to the extent required by the
- 18 student's individualized education program.
- 19 (C) Maintains a school attendance rate of at least ninety-five
- 20 percent (95%) to the extent required by the student's
- 21 individualized education program with excused absences not
- 22 counting against the student's attendance.
- 23 (D) Maintains at least a "C" average or the equivalent in the
- 24 courses comprising the credits specifically required for
- 25 graduation by rule of the state board.
- 26 (E) Otherwise satisfies all state and local graduation
- 27 requirements.
- 28 **(F) Is approved to receive a waiver by the state board.**
- 29 SECTION 43. IC 20-32-4-7 IS REPEALED [EFFECTIVE JULY 1,
- 30 2013]. Sec. 7: Upon the request of a student's parent, the student may
- 31 be exempted from the Core 40 curriculum requirement set forth in
- 32 section 1 of this chapter and be required to complete the general
- 33 curriculum to be eligible to graduate. Except as provided in section 10
- 34 of this chapter, the student's parent and the student's counselor (or
- 35 another staff member who assists students in course selection) shall
- 36 meet to discuss the student's progress. Following the meeting, the
- 37 student's parent shall determine whether the student will achieve
- 38 greater educational benefits by:
- 39 (1) continuing the general curriculum; or
- 40 (2) completing the Core 40 curriculum.
- 41 SECTION 44. IC 20-32-4-8 IS REPEALED [EFFECTIVE JULY 1,
- 42 2013]. Sec. 8: This section applies to a student who does not pass at

C
O
P
Y

1 least three (3) courses required under the Core 40 curriculum. Except
 2 as provided in section 10 of this chapter, the student's parent and the
 3 student's counselor (or another staff member who assists students in
 4 course selection) shall meet to discuss the student's progress. Following
 5 the meeting, the student's parent shall determine whether the student
 6 will achieve greater educational benefits by:

- 7 (1) continuing in the Core 40 curriculum; or
- 8 (2) completing the general curriculum.

9 SECTION 45. IC 20-32-4-9 IS REPEALED [EFFECTIVE JULY 1,
 10 2013]. Sec. 9: This section applies to a student who receives a score on
 11 the graduation examination that is in the twenty-fifth percentile or
 12 lower when the student takes the graduation examination for the first
 13 time. Except as provided in section 10 of this chapter, the student's
 14 parent and the student's counselor (or another staff member who assists
 15 students in course selection) shall meet to discuss the student's
 16 progress. Following the meeting, the student's parent shall determine
 17 whether the student will achieve greater educational benefits by:

- 18 (1) continuing in the Core 40 curriculum; or
- 19 (2) completing the general curriculum.

20 SECTION 46. IC 20-32-4-10 IS REPEALED [EFFECTIVE JULY
 21 1, 2013]. Sec. 10: This section applies if the parent of a student to
 22 whom section 8 or 9 of this chapter applies does not attend a meeting
 23 with the student and the student's counselor after receiving two (2)
 24 written requests to attend a meeting. If the student's parent does not
 25 attend a meeting described in section 8 or 9 of this chapter, the student
 26 and the student's counselor shall meet and:

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

- 30 (A) continuing in the Core 40 curriculum; or
- 31 (B) completing the general curriculum; and
- 32 (2) the student shall determine which curriculum the student will
 33 complete.

34 SECTION 47. IC 20-32-4-11 IS ADDED TO THE INDIANA
 35 CODE AS A NEW SECTION TO READ AS FOLLOWS
 36 [EFFECTIVE JULY 1, 2013]: **Sec. 11. The state board may adopt**
 37 **rules for the consideration of waivers under sections 4 and 5 of this**
 38 **chapter. The rules must provide that waivers may be approved**
 39 **only on the basis of written evidence that each requirement of the**
 40 **section under which the waiver is being sought has been attained**
 41 **and demonstrated.**

42 SECTION 48. IC 20-32-5-15, AS AMENDED BY P.L.229-2011,



C
o
p
y

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

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

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

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

13 SECTION 49. [EFFECTIVE UPON PASSAGE] (a) **As used in this**
 14 **SECTION, "commission" refers to the select commission on**
 15 **education established by subsection (b).**

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

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

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

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

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

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

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

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

34 SECTION 50. **An emergency is declared for this act.**

C
O
P
Y



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

C
O
P
Y



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:

C
O
P
Y



- (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+



C
O
P
Y

"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

C
O
P
Y



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

C
O
P
Y



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.



C
O
P
Y

(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.

HOUSE MOTION

Mr. Speaker: I move that House Bill 1337 be amended to read as follows:

Replace the effective dates in SECTIONS 26 through 27 with "[EFFECTIVE UPON PASSAGE]".

Replace the effective date in SECTION 29 with "[EFFECTIVE UPON PASSAGE]".

Replace the effective date in SECTION 31 with "[EFFECTIVE UPON PASSAGE]".

Page 1, delete lines 1 through 17.

Delete pages 2 through 8.

Page 9, delete lines 1 through 36.

Page 14, line 11, delete "2014." and insert "2016."

Page 14, line 15, delete "2013-2014" and insert "2015-2016".

Page 14, line 20, delete "2013-2014" and insert "2015-2016".

Page 14, line 22, delete "2012-2013" and insert "2014-2015".

Page 15, line 20, delete "2013-2014" and insert "2015-2016".

HB 1337—LS 7466/DI 71+



C
o
p
y

Page 16, line 35, delete "2017." and insert "**2019.**".

Page 16, line 39, delete "2013-2014" and insert "**2015-2016**".

Page 17, delete lines 36 through 41.

Page 17, line 42, delete "(e)" and insert "**(d)**".

Page 18, line 17, delete "(f)" and insert "**(e)**".

Page 19, line 9, delete "2017" and insert "**2019**".

Page 19, line 13, delete "2013-2014" and insert "**2015-2016**".

Page 21, between lines 2 and 3, begin a new paragraph and insert:

"(c) If the state board enters into a contract with a special management team as part of a school intervention, the state board may authorize the special management team to offer instruction to other grade levels that are not currently provided by the school subject to the intervention."

Page 21, lines 3, delete "(c)" and insert "**(d)**".

Page 21, line 8, delete "(d)" and insert "**(e)**".

Page 21, delete line 12.

Page 21, line 13, delete "(2)" and insert "**(1)**".

Page 21, line 14, delete "(3)" and insert "**(2)**".

Page 21, between lines 14 and 15, begin a new paragraph and insert:

"(f) The school corporation shall provide the special management team access to the academic records of a student who attends a school subject to intervention at the time the student's parent indicates to the school corporation the student's intent to enroll in the turnaround academy operated by the special management team."

Page 21, line 15, delete "(e)" and insert "**(g)**".

Renumber all SECTIONS consecutively.

(Reference is to HB 1337 as printed February 19, 2013.)

BEHNING

HOUSE MOTION

Mr. Speaker: I move that House Bill 1337 be amended to read as follows:

Page 10, delete lines 19 through 25.

Page 26, line 37, after "students." delete "The" and insert "**Subject to subsection (e), the**".

Page 26, line 39, strike "for the affected" and insert "**attributable to the**".

HB 1337—LS 7466/DI 71+



C
O
P
Y

Page 26, line 39, after "students" delete "." and insert "**included in the school's most recent ADM and adjusted ADM determined under IC 20-43-4.**".

Page 27, between lines 11 and 12, begin a new paragraph and insert:

"(e) This subsection applies to amounts withheld from a school corporation to make payments under a contract with a special management team during the second six (6) months of the calendar year in which a school within the school corporation begins operating as a turnaround academy. The amount of state tuition support and federal funds that the department may withhold from a school corporation may not exceed the total per pupil funding attributable to the students counted in the initial ADM and adjusted ADM determined under IC 20-43-4 for the school after it begins operating as a turnaround academy. The department shall adjust the amounts withheld from the school corporation on a pro rata basis over a period not to exceed six (6) months from the date on which the ADM and adjusted ADM are determined under IC 20-43-4."

(Reference is to HB 1337 as printed February 19, 2013.)

BEHNING

C
O
P
Y

