
SENATE BILL No. 484

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-26-7-1; IC 20-31-9.5.

Synopsis: School buildings. Provides that the lease between a charter school and a school corporation for a closed, unused, or unoccupied school building must include agreed upon terms and conditions relating to the operating costs associated with the school building. Provides that a closed, unused, or unoccupied school building may not be leased to a charter school in an amount that is less than the greater of: (1) \$1; or (2) the amount that the school corporation must annually pay for debt or other obligations that the school corporation incurred for the school building before entering into the lease or for liens that attached to the school building before the school corporation entered into the lease. Provides that a school corporation may send notice to the department of education indicating that a closed, unused, or unoccupied school building may be sold or disposed of based on certain reasons. Provides that a charter school sponsor may request a hearing to show just cause as to why the closed, unused, or unoccupied building should not be sold or disposed of by the school corporation. Provides that the department shall hold an administrative hearing to determine whether the charter school sponsor has shown just cause as to why a school corporation should not sell or dispose of the school building. Provides that a special management team is responsible for the maintenance of the buildings and grounds of a turnaround academy. Provides that the contract into which the state board of education enters with a special management team after June 30, 2013, must include a date on which the operation of the school will be returned to the school corporation.

Effective: July 1, 2013.

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January 14, 2013, read first time and referred to Committee on Education and Career Development.

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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.

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SENATE BILL No. 484



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 20-26-7-1, AS AMENDED BY P.L.91-2011,
2 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2013]: Sec. 1. (a) **Except as otherwise provided in this**
4 **section**, if a governing body of a school corporation determines that
5 any real or personal property:
6 (1) is no longer needed for school purposes; or
7 (2) should, in the interests of the school corporation, be
8 exchanged for other property;
9 the governing body may sell or exchange the property in accordance
10 with IC 36-1-11.
11 (b) Money derived from the sale or exchange of property under this
12 section shall be placed in any school fund:
13 (1) established under applicable law; and
14 (2) that the governing body considers appropriate.
15 (c) A governing body may not make a covenant that prohibits the
16 sale of real property to another educational institution.
17 (d) This subsection does not apply to a school building that on July



1, 2011, is leased or loaned by the school corporation that owns the school building to another entity. **Except as provided in subsection (j)**, a governing body shall make available for lease or purchase to any charter school (as defined in IC 20-24-1-4) any school building owned by the school corporation that:

(1) either:

(A) is not used in whole or in part for classroom instruction at the time the charter school seeks to lease the building; or

(B) appears on the list compiled by the department under subsection (e); and

(2) was previously used for classroom instruction;

in order for the charter school to conduct classroom instruction.

(e) Each governing body shall inform the department whenever a school building that was previously used for classroom instruction is closed, unused, or unoccupied. The department shall maintain a list of closed, unused, or unoccupied school buildings and make the list available on the department's Internet web site. Each school corporation shall provide a list of closed, unused, or unoccupied buildings to the department by the date set by the department. The department must update the list each year before August 31.

(f) A school building that appears for the first time on the department's list under subsection (e) shall be designated as "Unavailable until (a date two (2) years after the school building first appears on the list)" if the governing body of the school corporation that owns the school building indicates the school building may be reclaimed during that period for classroom instruction, which must begin not later than one (1) year after the school building is reclaimed. If the school building remains unused for classroom instruction one (1) year after being reclaimed, the governing body shall place the school building on the department's list. A governing body may reclaim a school building only one (1) time under this subsection.

(g) If a charter school wishes to use a school building on the list created under subsection (e), the charter school shall send a letter of intent to the department. The department shall notify the school corporation of the charter school's intent, and the school corporation that owns the school building shall lease the school building to the charter school for ~~one dollar (\$1)~~ **per year** for as long as the charter school uses the school building for classroom instruction or for a term at the charter school's discretion. **or The lease must include agreed upon terms and conditions relating to the operating costs associated with the school building. However, the yearly lease payment may not be less than the greater of:**

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- 1 **(1) one dollar (\$1) per year; or**
 2 **(2) a yearly payment equal to the amount that the school**
 3 **corporation must annually pay for:**
 4 **(A) debt and other obligations incurred for; or**
 5 **(B) liens attached to;**

6 **the school building by the school corporation before the lease.**
 7 **Instead of leasing the school building to the charter school, the**
 8 **governing body may sell the school building to the charter school for**
 9 **one dollar (\$1). The charter school must begin to use the school**
 10 **building for classroom instruction not later than two (2) years after**
 11 **acquiring the school building. If the school building is not used for**
 12 **classroom instruction within two (2) years after acquiring the school**
 13 **building, the school building shall be placed on the department's list**
 14 **under subsection (e). If during the term of the lease the charter school**
 15 **closes or ceases using the school building for classroom instruction, the**
 16 **school building shall be placed on the department's list under**
 17 **subsection (e).**

18 (h) During the term of a lease under subsection (g), the charter
 19 school is responsible for the direct expenses related to the school
 20 building leased, including utilities, insurance, maintenance, repairs,
 21 and remodeling. The school corporation is responsible for any debt
 22 incurred for or liens that attached to the school building before the
 23 charter school leased the school building.

24 (i) If a school building appears on the department's list under
 25 subsection (e) for at least forty-eight (48) months, the school
 26 corporation may sell or otherwise dispose of the school building in any
 27 manner the governing body considers appropriate.

28 **(j) Notwithstanding subsection (d), a governing body may**
 29 **provide notice to the department, on a form prescribed by the**
 30 **department, that the governing body intends to sell or otherwise**
 31 **dispose of a vacant or unused school building in accordance with**
 32 **IC 36-1-11. The governing body shall specify in the notice that:**

- 33 **(1) the governing body intends to sell or lease the school**
 34 **building to a bona fide third party for consideration;**
 35 **(2) there is little likelihood that any charter school would have**
 36 **an interest in leasing or purchasing the school building**
 37 **because of the condition of the building or other extenuating**
 38 **circumstances; or**
 39 **(3) the governing body intends to sell, lease, or donate the**
 40 **school building to another governmental entity for public use**
 41 **if the governing body has territorial jurisdiction over the**
 42 **location of the school building.**

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1 If a charter school sponsor does not timely submit an objection
 2 under subsection (l), the governing body may sell or otherwise
 3 dispose of the unused or vacant school building in accordance with
 4 IC 36-1-11 after receiving written notification from the department
 5 indicating that the department has not received a timely request
 6 for a hearing from a charter school sponsor under subsection (l).

7 (k) Upon receipt of a notice under subsection (j), the department
 8 shall maintain on the department's Internet web site:

9 (1) a copy of the notice;

10 (2) the date the notice was received by the department; and

11 (3) the date by which the department must receive an
 12 objection to the notice from a charter school sponsor under
 13 subsection (l).

14 (l) Not later than thirty (30) days after the date the department
 15 receives notice under subsection (j), a charter school sponsor may
 16 request a hearing under this subsection. If the department timely
 17 receives a request from a charter school sponsor under this
 18 subsection, the department shall appoint a hearing officer to act as
 19 the ultimate authority for the department and shall conduct a
 20 hearing in accordance with IC 4-21.5. At the hearing, the charter
 21 school sponsor must show just cause as to why the governing body
 22 should not be allowed to sell or dispose of a vacant school building
 23 under subsection (j). If, in the final order, the hearing officer
 24 determines that the charter school sponsor has shown just cause as
 25 to why the building should not be sold or disposed under subsection
 26 (j), the vacant or unused school building must be made available to
 27 a charter school as provided under subsection (d). If the hearing
 28 officer determines in the final order that the charter school sponsor
 29 has not shown just cause under this subsection, the governing body
 30 may proceed or otherwise dispose of the vacant or unused school
 31 building in accordance with IC 36-1-11 in the manner specified in
 32 the notice.

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

39 (1) the special management team shall:

40 (A) continue to use the school building, the accompanying real
 41 property, and the building's contents, equipment, and supplies;
 42 and

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1 **(B) maintain and repair the buildings and grounds in a**
 2 **manner consistent with the maintenance and repair of the**
 3 **school corporation's other buildings and grounds; and**
 4 (2) the school corporation shall continue to
 5 ~~(A)~~ provide transportation for students attending the
 6 turnaround academy at the same level of service the school
 7 corporation provided before the school became a turnaround
 8 academy. ~~and~~
 9 ~~(B)~~ **maintain and repair the buildings and grounds consistent**
 10 **with the maintenance and repair to the school corporation's**
 11 **other buildings and grounds.**
 12 The school corporation shall consult with the special management
 13 team regarding these matters;
 14 (b) If the special management team contracts with a school
 15 corporation for goods or services, the school corporation may not
 16 charge the special management team more for the goods or services
 17 than the school corporation pays for the goods or services.
 18 (c) The special management team and the school corporation's board
 19 shall hold a joint public meeting at least two (2) times each year to
 20 discuss issues and progress concerning the turnaround academy.
 21 SECTION 3. IC 20-31-9.5-7, AS ADDED BY P.L.160-2012,
 22 SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 JULY 1, 2013]: Sec. 7. (a) If the state board assigns a special
 24 management team to a school, the state board shall enter into a contract
 25 with a special management team that includes the following provisions:
 26 (1) A requirement that the special management team and the
 27 governing body conduct a public meeting two (2) times each year
 28 to provide a report concerning:
 29 (A) student achievement of affected students; and
 30 (B) the condition of the school property and to address issues
 31 related to the school property.
 32 (2) A requirement that the student instruction must be provided
 33 by teachers licensed under IC 20-28-5.
 34 **(3) For a contract entered into after June 30, 2013, a date on**
 35 **which the operation of the school will be returned to the**
 36 **school corporation.**
 37 (b) Individuals employed by the special management team are
 38 entitled to participate in either:
 39 (1) the state teachers' retirement fund created by IC 5-10.4; or
 40 (2) the public employees' retirement fund created by IC 5-10.3.
 41 (c) Employees of a special management team are not required to
 42 organize and collectively bargain under IC 20-29-6.

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