

# HOUSE BILL No. 1014(ss)

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 4-6-2-1.5; IC 5-9-4; IC 6-1.1-20.3; IC 20-23; IC 20-29-2-6.

**Synopsis:** Gary Community School Corporation. Establishes procedures to appoint members to the governing body of the Gary Community School Corporation. Establishes procedures for transferring responsibility of financial and academic matters from the emergency manager to the governing body. Removes obsolete provisions and makes conforming amendments. Repeals provisions relating to the election of advisory board members for the Gary Community School Corporation.

**Effective:** May 1, 2023; July 1, 2023.

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## Smith V, Harris, Hatcher

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July 29, 2022, read first time and referred to Committee on Rules and Legislative Procedures.

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Introduced

Special Session of the 122nd General Assembly (2022)(ss)

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 2022 Regular Session of the General Assembly.

## HOUSE BILL No. 1014(ss)

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A BILL FOR AN ACT to amend the Indiana Code concerning education.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 4-6-2-1.5, AS AMENDED BY P.L.163-2020,  
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2023]: Sec. 1.5. (a) Whenever any state governmental official  
4 or employee, whether elected or appointed, is made a party to a suit,  
5 and the attorney general determines that said suit has arisen out of an  
6 act which such official or employee in good faith believed to be within  
7 the scope of the official's or employee's duties as prescribed by statute  
8 or duly adopted regulation, the attorney general shall defend such  
9 person throughout such action.  
10 (b) Whenever a teacher (as defined in IC 20-18-2-22) is made a  
11 party to a civil suit, and the attorney general determines that the suit  
12 has arisen out of an act that the teacher in good faith believed was  
13 within the scope of the teacher's duties in enforcing discipline policies  
14 developed under IC 20-33-8-12, the attorney general shall defend the  
15 teacher throughout the action.  
16 (c) Not later than July 30 of each year, the attorney general, in  
17 consultation with the Indiana education employment relations board

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1 established in IC 20-29-3-1, shall draft and disseminate a letter by first  
 2 class mail to the residence of teachers providing a summary of the  
 3 teacher's rights and protections under state and federal law, including  
 4 a teacher's rights and protections relating to the teacher's performance  
 5 evaluation under IC 20-28-11.5.

6 (d) The department of education, in consultation with the Indiana  
 7 education employment relations board, shall develop a method to  
 8 provide the attorney general with the names and addresses of active  
 9 teachers in Indiana in order for the attorney general to disseminate the  
 10 letter described in subsection (c). Names and addresses collected and  
 11 provided to the attorney general under this subsection are confidential  
 12 and excepted from public disclosure as provided in IC 5-14-3-4.

13 (e) Whenever a school corporation (as defined in IC 20-26-2-4) is  
 14 made a party to a civil suit and the attorney general determines that the  
 15 suit has arisen out of an act authorized under IC 20-30-5-0.5 or  
 16 IC 20-30-5-4.5, the attorney general shall defend the school corporation  
 17 throughout the action.

18 ~~(f) Whenever a member of the fiscal management board appointed~~  
 19 ~~under IC 6-1.1-20.3-6.8 is made a party to a civil suit and the attorney~~  
 20 ~~general determines that the suit has arisen out of an act by the fiscal~~  
 21 ~~management board member that is authorized or required under~~  
 22 ~~IC 6-1.1-20.3 or any other law, the attorney general shall defend the~~  
 23 ~~fiscal management board member throughout the action.~~

24 ~~(g)~~ (f) As used in this subsection, "bridge authority" refers to the  
 25 New Harmony and Wabash River bridge authority established by  
 26 IC 8-16-15.5-2. Whenever:

- 27 (1) the bridge authority;
- 28 (2) a member of the bridge authority;
- 29 (3) an officer of the bridge authority; or
- 30 (4) an employee of the bridge authority;

31 is made a party to a civil suit and the attorney general determines that  
 32 the suit has arisen out of an act or omission of any person described in  
 33 subdivision (1), (2), (3), or (4), that is authorized or required under  
 34 IC 8-16-15.5 or any other law, the attorney general shall defend that  
 35 person throughout the action.

36 ~~(h)~~ (g) A determination by the attorney general under subsection (a),  
 37 (b), (e), or (f) or ~~(g)~~ shall not be admitted as evidence in the trial of any  
 38 such civil action for damages.

39 ~~(i)~~ (h) Nothing in this chapter shall be construed to deprive any such  
 40 person of the person's right to select counsel of the person's own choice  
 41 at the person's own expense.

42 SECTION 2. IC 5-9-4-7, AS AMENDED BY P.L.2-2014,



1 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
2 JULY 1, 2023]: Sec. 7. (a) Except as provided in subsection (b) or (c),  
3 an officeholder who elects to take the leave of absence described in  
4 section 6 of this chapter shall give written notice that the officeholder  
5 is taking a leave of absence for military service to the person or entity  
6 designated in IC 5-8-3.5-1 to receive a resignation for the office the  
7 officeholder holds.

8 (b) An officeholder who is:

9 (1) a justice of the supreme court, a judge of the court of appeals,  
10 or a judge of the tax court; or

11 (2) a judge of a circuit, city, probate, or superior court;

12 shall give the written notice required by subsection (a) to the clerk of  
13 the supreme court.

14 (c) An officeholder who holds a school board office shall give the  
15 written notice required by subsection (a) to the person or entity  
16 designated in IC 20-25-3, IC 20-25-4, IC 20-25-5, ~~IC 20-23-12~~,  
17 **IC 20-23-12.1**, IC 20-23-14, IC 20-23-15, IC 20-23-4, or IC 20-26 to  
18 receive a resignation for the office the officeholder holds.

19 (d) The written notice required by subsection (a) must state that the  
20 officeholder is taking a leave of absence because the officeholder:

21 (1) has been called for active duty in:

22 (A) the armed forces of the United States; or

23 (B) the national guard; and

24 (2) will be temporarily unable to perform the duties of the  
25 officeholder's office.

26 SECTION 3. IC 5-9-4-8, AS AMENDED BY P.L.74-2017,  
27 SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
28 JULY 1, 2023]: Sec. 8. (a) Except as provided in subsection (b) and  
29 IC 36-5-6-9, during the officeholder's leave of absence, the  
30 officeholder's office must be filled by a temporary appointment made  
31 under:

32 (1) IC 3-13-4;

33 (2) IC 3-13-5;

34 (3) IC 3-13-6;

35 (4) IC 3-13-7;

36 (5) IC 3-13-8;

37 (6) IC 3-13-9;

38 (7) IC 3-13-10;

39 (8) IC 3-13-11;

40 (9) IC 20-23-4;

41 (10) IC 20-26;

42 (11) ~~IC 20-23-12~~; **IC 20-23-12.1**;



- 1 (12) IC 20-23-14;  
 2 (13) IC 20-23-15;  
 3 (14) IC 20-23-17;  
 4 (15) IC 20-23-17.2;  
 5 (16) IC 20-25-3;  
 6 (17) IC 20-25-4; or  
 7 (18) IC 20-25-5;
- 8 in the same manner as a vacancy created by a resignation is filled. A  
 9 temporary appointment may be made in accordance with the applicable  
 10 statute after the written notice required under section 7 of this chapter  
 11 has been filed.
- 12 (b) For an officeholder who:  
 13 (1) is:  
 14 (A) a justice of the supreme court, a judge of the court of  
 15 appeals, or a judge of the tax court; or  
 16 (B) a judge of a circuit, city, probate, or superior court; and  
 17 (2) is taking a leave of absence under this chapter;  
 18 the supreme court shall appoint a judge pro tempore to fill the  
 19 officeholder's office in accordance with the court's rules and  
 20 procedures.
- 21 (c) The person selected or appointed under subsection (a) or (b)  
 22 serves until the earlier of:  
 23 (1) the date the officeholder's leave of absence ends as provided  
 24 in section 10 of this chapter; or  
 25 (2) the officeholder's term of office expires.
- 26 (d) The person selected or appointed to an office under subsection  
 27 (a) or (b):  
 28 (1) assumes all the rights and duties of; and  
 29 (2) is entitled to the compensation established for;  
 30 the office for the period of the temporary appointment.
- 31 SECTION 4. IC 6-1.1-20.3-6.8, AS AMENDED BY P.L.43-2021,  
 32 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 33 JULY 1, 2023]: Sec. 6.8. (a) This section applies only to the Gary  
 34 Community School Corporation.
- 35 (b) The general assembly finds that the provisions of this section:  
 36 (1) are necessary to address the unique issues faced by the Gary  
 37 Community School Corporation; and  
 38 (2) are not precedent for and may not be appropriate for  
 39 addressing issues faced by other school corporations.
- 40 (c) As used in this section, the following definitions apply:  
 41 (1) "Chief academic officer" means the chief academic officer  
 42 appointed under subsection (f): **(h)**.



- 1 (2) "Chief financial officer" means the chief financial officer  
 2 appointed under subsection ~~(f)~~ **(g)**.
- 3 (3) "School corporation" refers to the Gary Community School  
 4 Corporation.
- 5 (d) The Gary Community School Corporation is designated as a  
 6 distressed political subdivision for purposes of this chapter until the  
 7 school corporation's designation as a distressed political subdivision is  
 8 terminated as ~~provided in section 13(b) of this chapter.~~ **on January 1,**  
 9 **2024.** This designation as a distressed political subdivision is effective  
 10 regardless of whether the school corporation has submitted a petition  
 11 requesting to be designated as a distressed political subdivision. ~~Until~~  
 12 ~~the school corporation's designation as a distressed political~~  
 13 ~~subdivision is terminated as provided in section 13(b) of this chapter,~~  
 14 ~~the Gary Community School Corporation advisory board may not hold~~  
 15 ~~a public meeting more often than once every three (3) months. This~~  
 16 ~~limit on the number of meetings of the advisory board does not apply~~  
 17 ~~to the emergency manager.~~ The emergency manager shall hold a  
 18 monthly forum to provide an update on the Gary Community School  
 19 Corporation within the school district that is open to the general public.  
 20 ~~During the period that the Gary Community School Corporation is~~  
 21 ~~designated as a distressed political subdivision, the advisory board may~~  
 22 ~~vote to:~~
- 23 ~~(1) fill vacancies;~~
  - 24 ~~(2) select officers; or~~
  - 25 ~~(3) make appointments;~~
- 26 ~~of the advisory board, and to present awards, recognition, and~~  
 27 ~~certificates to employees or supporters of the school corporation.~~
- 28 (e) Until the school corporation's designation as a distressed  
 29 political subdivision is terminated as ~~provided in section 13(b) of this~~  
 30 ~~chapter,~~ **on January 1, 2024,** the following apply to the emergency  
 31 manager appointed under section 7.5 of this chapter for the school  
 32 corporation:
- 33 (1) The emergency manager has the powers and duties specified  
 34 in this chapter.
  - 35 (2) The emergency manager shall consider recommendations  
 36 from the ~~fiscal management board and the advisory board,~~  
 37 **superintendent and chief financial officer appointed under**  
 38 **IC 20-23-12.1,** but the emergency manager has full responsibility  
 39 and authority related to financial and academic matters of the  
 40 school corporation, and the emergency manager may act, as  
 41 specified in this chapter, on these financial and academic matters  
 42 without the approval of the ~~fiscal management board or the~~



1 ~~advisory board: superintendent and chief financial officer~~  
 2 ~~appointed under IC 20-23-12.1.~~

3 (3) Notwithstanding section 7.5(d) of this chapter, the distressed  
 4 unit appeal board shall:

5 (A) determine the compensation of the emergency manager,  
 6 chief financial officer, and chief academic officer; and

7 (B) subject to subsections ~~(i)~~ (g) and ~~(j)~~; (h), pay the  
 8 emergency manager's, chief financial officer's, and chief  
 9 academic officer's compensation and reimburse the emergency  
 10 manager, chief financial officer, and chief academic officer for  
 11 actual and necessary expenses from funds appropriated to the  
 12 distressed unit appeal board.

13 (4) Before appointing the emergency manager, the distressed unit  
 14 appeal board shall interview at least one (1) resident of the city of  
 15 Gary as a candidate for the position. If the distressed unit appeal  
 16 board is not able to interview a resident of the city of Gary as a  
 17 candidate for the position, the distressed unit appeal board shall  
 18 interview at least one (1) individual who is a resident of Lake  
 19 County or northwest Indiana as a candidate for the position.

20 The appointment of the emergency manager for the school corporation  
 21 is terminated on the date the school corporation's designation as a  
 22 distressed political subdivision is terminated as provided in section  
 23 13(b) of this chapter.

24 (f) In addition to any other actions that the distressed unit appeal  
 25 board may take under this chapter concerning a distressed political  
 26 subdivision, for a distressed school corporation, the distressed unit  
 27 appeal board may also do any of the following:

28 (1) The distressed unit appeal board may delay or suspend, for a  
 29 period determined by the board, any payments of principal or  
 30 interest, or both, that would otherwise be due from the school  
 31 corporation on loans or advances from the common school fund.

32 (2) The distressed unit appeal board may recommend to the state  
 33 board of finance that the state board of finance make an interest  
 34 free loan to the school corporation from the common school fund.  
 35 The distressed unit appeal board shall determine the payment  
 36 schedule and the commencement date for the loan. If the  
 37 distressed unit appeal board makes a recommendation that such  
 38 a loan be made, the state board of finance may, notwithstanding  
 39 IC 20-49, make such a loan for a term of not more than ten (10)  
 40 years.

41 (3) The distressed unit appeal board may establish benchmarks of  
 42 financial improvement for the school corporation.



- 1 (4) The distressed unit appeal board may provide a grant or grants  
 2 to the school corporation from funds appropriated to the  
 3 distressed unit appeal board, in amounts determined by the  
 4 distressed unit appeal board, to assist the school corporation in  
 5 overcoming short term financial problems.
- 6 (5) The distressed unit appeal board may make a recommendation  
 7 to the general assembly concerning the possible restructuring of  
 8 advances made to the school corporation from the common school  
 9 fund, including forgiveness of principal and interest on those  
 10 advances.
- 11 (g) The fiscal management board is established. The fiscal  
 12 management board consists of the following members:
- 13 (1) One (1) member appointed by the advisory board.  
 14 (2) One (1) member appointed by the mayor of the city of Gary.  
 15 (3) One (1) member, who must have experience working with or  
 16 for an urban school corporation; appointed by the secretary of  
 17 education.  
 18 (4) One (1) member, who must have experience working with or  
 19 for an urban school corporation; appointed by the state board of  
 20 education.
- 21 (h) The following apply to the fiscal management board and to the  
 22 members of the fiscal management board:
- 23 (1) The term of office of a member of the fiscal management  
 24 board is four (4) years; beginning on the date of appointment. A  
 25 member of the fiscal management board may be reappointed to  
 26 the fiscal management board. A member of the fiscal  
 27 management board may be removed for cause by the appointing  
 28 authority.
- 29 (2) A member of the fiscal management board must have the  
 30 following:
- 31 (A) At least three (3) years experience in financial  
 32 management.  
 33 (B) A meaningful background and work experience in finance  
 34 and business.  
 35 (C) An understanding of government contracts.  
 36 (D) Knowledge and experience in organizational effectiveness,  
 37 operations management; and implementing best practices.  
 38 (E) Experience in budget development and oversight.  
 39 (F) A demonstrated commitment to high professional and  
 40 ethical standards and a diverse workplace.  
 41 (G) An understanding of tax and other compliance  
 42 implications.





1 (3) A member of the advisory board may not serve as a member  
2 of the fiscal management board.

3 (4) The fiscal management board:

4 (A) shall make recommendations to the emergency manager;  
5 and

6 (B) shall advise the emergency manager as requested by the  
7 emergency manager.

8 (5) The members of the fiscal management board are not entitled  
9 to any compensation for their service on the fiscal management  
10 board.

11 (6) The fiscal management board is abolished; and the terms of  
12 the members of the fiscal management board are terminated; on  
13 the date the school corporation's designation as a distressed  
14 political subdivision is terminated as provided in section 13(b) of  
15 this chapter.

16 (7) Under the supervision of the emergency manager, the fiscal  
17 management board shall serve as a liaison to and shall work  
18 jointly with the distressed unit appeal board, the mayor of the city  
19 of Gary, and the department of education to develop a transition  
20 plan to address issues or questions related to:

21 (A) the designation of the school corporation as a distressed  
22 political subdivision and the transfer of powers and duties to  
23 the emergency manager under this chapter; and

24 (B) the potential impact of the transition on the community  
25 and the school corporation.

26 (8) Under the supervision of the emergency manager, the fiscal  
27 management board shall work jointly with the distressed unit  
28 appeal board, the mayor of the city of Gary, and the department  
29 of education to provide information on a regular basis to parents;  
30 students; employees of the school corporation, and the public on  
31 the status of the transition.

32 (i) (g) The emergency manager shall employ a chief financial officer  
33 for the school corporation. The chief financial officer is an employee  
34 of the school corporation. The chief financial officer shall report to the  
35 emergency manager and shall assist the emergency manager appointed  
36 for the school corporation ~~and the fiscal management board~~ in carrying  
37 out the day to day financial operations of the school corporation. ~~Before~~  
38 ~~July 1, 2019, the compensation of the chief financial officer shall be~~  
39 ~~determined by the distressed unit appeal board. Before July 1, 2019, the~~  
40 ~~compensation of the chief financial officer shall be paid from the funds~~  
41 ~~appropriated to the distressed unit appeal board. After June 30, 2019,~~  
42 The compensation of the chief financial officer shall be determined by



1 and paid by the school corporation. The chief financial officer:

2 (1) must possess, through both education and experience, an  
3 understanding of finance and financial management; and

4 (2) must possess any other experience and must meet any other  
5 requirements as required by the distressed unit appeal board to  
6 ensure that the chief financial officer is qualified to carry out the  
7 financial restructuring of the school corporation.

8 Before employing a chief financial officer under this subsection, the  
9 emergency manager shall interview at least one (1) resident of the city  
10 of Gary as a candidate for the position. If the emergency manager is not  
11 able to interview a resident of the city of Gary as a candidate for the  
12 position, the emergency manager shall interview at least one (1)  
13 individual who is a resident of Lake County or northwest Indiana as a  
14 candidate for the position.

15 ~~(j)~~ **(h)** The emergency manager shall employ a chief academic  
16 officer for the school corporation, after consultation with the  
17 department of education, who must have experience working with or  
18 for an urban school corporation. The chief academic officer is an  
19 employee of the school corporation. The chief academic officer shall  
20 report to the emergency manager and shall assist the emergency  
21 manager appointed for the school corporation ~~and the fiscal~~  
22 ~~management board~~ in carrying out the academic matters of the school  
23 corporation. ~~Before July 1, 2019, the compensation of the chief~~  
24 ~~academic officer shall be determined by the distressed unit appeal~~  
25 ~~board. Before July 1, 2019, the compensation of the chief academic~~  
26 ~~officer shall be paid from the funds appropriated to the distressed unit~~  
27 ~~appeal board. After June 30, 2019, The compensation of the chief~~  
28 ~~academic officer shall be determined by and paid by the school~~  
29 ~~corporation. The chief academic officer must:~~

30 (1) hold a valid license to teach in a public school under  
31 IC 20-28-5;

32 (2) possess, through both education and experience, an  
33 understanding of curriculum and academics; and

34 (3) possess any other experience and meet any other requirements  
35 as required by the distressed unit appeal board to ensure that the  
36 chief academic officer is qualified to carry out the academic goals  
37 of the school corporation.

38 Before employing a chief academic officer under this subsection, the  
39 emergency manager shall interview at least one (1) resident of the city  
40 of Gary as a candidate for the position. If the emergency manager is not  
41 able to interview a resident of the city of Gary as a candidate for the  
42 position, the emergency manager shall interview at least one (1)



1 individual who is a resident of Lake County or northwest Indiana as a  
2 candidate for the position.

3 ~~(k)~~ (i) The chief financial officer and chief academic officer shall  
4 assist the emergency manager in carrying out the emergency manager's  
5 duties under this chapter.

6 ~~(h)~~ (j) The annual budget adopted by the emergency manager for the  
7 school corporation must dedicate a significant part of the school  
8 corporation's budget to eliminating, **if any**, the school corporation's  
9 outstanding financial obligations. The emergency manager shall  
10 attempt to negotiate with the creditors of the school corporation to  
11 establish a plan specifying the schedule for paying each creditor. The  
12 emergency manager shall submit the plan to the distressed unit appeal  
13 board for approval. The distressed unit appeal board must:

- 14 (1) review the plan submitted by the emergency manager; and  
15 (2) not later than sixty (60) days after the plan is submitted,  
16 either:

- 17 (A) approve the plan as submitted by the emergency manager;  
18 or  
19 (B) modify the plan as submitted by the emergency manager  
20 and then approve the modified plan.

21 ~~(m)~~ (k) The emergency manager shall consider any  
22 recommendations from the ~~fiscal management board; the advisory~~  
23 ~~board; and the mayor of the city of Gary~~ **Gary Community School**  
24 **Corporation board of trustees established under IC 20-23-12.1** in  
25 developing the school corporation's annual budget. The distressed unit  
26 appeal board must review and approve the school corporation's annual  
27 budget that is proposed by the emergency manager. ~~When the~~  
28 ~~emergency manager submits the school corporation's proposed annual~~  
29 ~~budget to the distressed unit appeal board; the emergency manager~~  
30 ~~shall provide copies of the proposed annual budget to the fiscal~~  
31 ~~management board and the advisory board.~~

32 ~~(n)~~ (l) After considering any recommendations from ~~the fiscal~~  
33 ~~management board; the advisory board; and the mayor of the city of~~  
34 Gary, the emergency manager shall do the following:

- 35 (1) Conduct a financial and compliance audit of the operations of  
36 the school corporation.  
37 (2) Develop a written financial plan for the school corporation.  
38 The object of the plan must be to achieve financial stability for  
39 the school corporation, and the plan must include provisions for  
40 paying all of the school corporation's outstanding obligations and  
41 for paying all future obligations of the school corporation  
42 (including any federal, state, or local taxes or assessments) in a



1           timely manner.  
 2           ~~(o)~~ **(m)** In addition to the report required by section 8.5(c)(5) of this  
 3 chapter, the emergency manager, the chief financial officer, and the  
 4 chief academic officer shall report ~~quarterly~~ to the distressed unit  
 5 appeal board **in accordance to the most recent contract with the**  
 6 **distressed unit appeal board and** in a format specified by the  
 7 distressed unit appeal board. The report must include:

- 8           (1) information concerning the actions that the school corporation  
 9 is taking to improve the financial condition of the school  
 10 corporation; and  
 11           (2) any other information required by the distressed unit appeal  
 12 board.

13 The emergency manager shall report more frequently than quarterly if  
 14 requested by the distressed unit appeal board. The emergency manager  
 15 shall provide copies of the report to ~~the fiscal management board, the~~  
 16 ~~advisory board, and~~ the mayor of the city of Gary. ~~The emergency~~  
 17 ~~manager shall present each report at a public meeting of the fiscal~~  
 18 ~~management board.~~

- 19           ~~(p)~~ **(n)** The school corporation shall do the following:  
 20           (1) Publish a copy of each report under subsection ~~(o)~~ **(m)** on the  
 21 school corporation's Internet web site, along with a link to the  
 22 main page of the Indiana transparency Internet web site  
 23 established under IC 5-14-3.7 to provide access to financial data  
 24 for local schools.  
 25           (2) Make copies of each report available free of charge to the  
 26 public upon request.  
 27           (3) Provide copies of each report to the mayor of the city of Gary.  
 28 The mayor shall make copies of the reports available free of  
 29 charge to the public upon request.

30           ~~(q)~~ **(o)** The chief academic officer shall develop an education plan  
 31 to provide academic services to students in the school corporation and  
 32 to achieve academic progress. The education plan must include at least  
 33 the following components:

- 34           (1) An academic program designed to meet Indiana's academic  
 35 standards and to assist students in meeting those academic  
 36 standards.  
 37           (2) A plan to improve the academic performance of all students,  
 38 including improvement in the performance of students on  
 39 standardized tests.  
 40           (3) A plan to engage parents in school performance and school  
 41 activities, including regular meetings at each school involving  
 42 administrators, teachers, parents, and interested members of the



- 1 community.
- 2 (4) A plan to implement performance standards that will attract
- 3 students and families to the school corporation.
- 4 (5) A plan specifying how the school corporation will work
- 5 directly with the city of Gary:
- 6 (A) to make the schools a successful component of life within
- 7 the city; and
- 8 (B) to develop a sense of pride and progress in the operations
- 9 and accomplishments of the school corporation.

10 ~~The chief financial officer and the chief academic officer shall submit~~

11 ~~a report to the advisory board each quarter. The chief financial officer~~

12 ~~and chief academic officer shall meet at least quarterly with the~~

13 ~~executive committee of the bargaining unit to inform the executive~~

14 ~~committee of the academic progress of the school corporation.~~

15 SECTION 5. IC 6-1.1-20.3-7.5, AS AMENDED BY

16 P.L.213-2018(ss), SECTION 8, IS AMENDED TO READ AS

17 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 7.5. (a) This section

18 does not apply to a school corporation designated before July 1, 2013,

19 as a distressed political subdivision.

20 (b) If a political subdivision is designated as a distressed political

21 subdivision under this chapter, the board shall appoint an emergency

22 manager for the distressed political subdivision. An emergency

23 manager serves at the pleasure of the board. For purposes of IC 34-13,

24 an emergency manager appointed under this section is acting on behalf

25 of the distressed political subdivision and not the state.

26 (c) The chairperson of the board shall oversee the activities of an

27 emergency manager.

28 (d) Except as provided in this chapter, the distressed political

29 subdivision shall pay the emergency manager's compensation and

30 reimburse the emergency manager for actual and necessary expenses.

31 (e) ~~A member of a fiscal management board;~~ An emergency

32 manager, a chief financial officer, or a chief academic officer is

33 immune from civil liability for an act or omission within the scope and

34 arising out of the performance of duties prescribed by the board under

35 this chapter. This subsection does not apply to an act or omission that

36 constitutes gross negligence or willful misconduct.

37 (f) The attorney general shall represent a member of the distressed

38 unit appeal board, ~~a member of a fiscal management board;~~ an

39 emergency manager, a chief financial officer, or a chief academic

40 officer in a legal action arising out of the exercise of powers granted

41 under this chapter, if the member of the distressed unit appeal board,

42 ~~the member of a fiscal management board;~~ emergency manager, chief



1 financial officer, or chief academic officer makes a written request to  
 2 the attorney general requesting representation. The attorney general  
 3 may not represent a member of the distressed unit appeal board, ~~a~~  
 4 ~~member of a fiscal management board~~; an emergency manager, a chief  
 5 financial officer, or a chief academic officer under this subsection if the  
 6 legal action is initiated or the claim is asserted by the member of the  
 7 distressed unit appeal board, ~~the member of the fiscal management~~  
 8 ~~board~~; emergency manager, or the distressed political subdivision. If  
 9 the attorney general represents a member of the distressed unit appeal  
 10 board, ~~a member of a fiscal management board~~; an emergency  
 11 manager, a chief financial officer, or a chief academic officer under this  
 12 subsection, the member of the distressed unit appeal board, ~~the member~~  
 13 ~~of a fiscal management board~~; emergency manager, chief financial  
 14 officer, or chief academic officer is entitled to recover attorney's fees  
 15 from the losing party to the extent the member of the distressed unit  
 16 appeal board, ~~the member of the fiscal management board~~; emergency  
 17 manager, chief financial officer, or chief academic officer prevails. Any  
 18 attorney's fees recovered shall be deposited in the state general fund.

19 SECTION 6. IC 20-23-8-5, AS AMENDED BY P.L.233-2015,  
 20 SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 21 JULY 1, 2023]: Sec. 5. As used in this chapter, "school corporation"  
 22 means a local public school corporation established under the laws of  
 23 Indiana. The term does not include a school corporation covered by  
 24 ~~IC 20-23-12~~, **IC 20-23-12.1**, IC 20-23-17, or IC 20-23-17.2.

25 SECTION 7. IC 20-23-12-1 IS REPEALED [EFFECTIVE JULY 1,  
 26 2023]. Sec. 1. ~~IC 20-23-8 does not apply to:~~

27 ~~(1) a school corporation; or~~

28 ~~(2) the governing body of a school corporation;~~

29 ~~covered by this chapter.~~

30 SECTION 8. IC 20-23-12-3, AS AMENDED BY P.L.213-2018(ss),  
 31 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 32 JULY 1, 2023]: Sec. 3. ~~(a)~~ The emergency manager appointed by the  
 33 distressed unit appeal board under IC 6-1.1-20.3 shall act as the  
 34 governing body of the school corporation and has the powers set forth  
 35 in IC 6-1.1-20.3-8.5, including the powers and duties of the governing  
 36 body of the school corporation **until January 1, 2024**. ~~The school~~  
 37 ~~corporation shall also have an advisory board that consists of seven (7)~~  
 38 ~~members elected as follows:~~

39 ~~(1) On a nonpartisan basis:~~

40 ~~(2) In a general election in the county:~~

41 ~~The advisory board is created to provide nonbinding recommendations~~  
 42 ~~to the emergency manager:~~



1 (b) Six (6) of the members shall be elected from the school districts  
2 drawn under section 4 of this chapter. Each member:

3 (1) is elected from the school district in which the member  
4 resides; and

5 (2) upon election and in conducting the business of the advisory  
6 board; represents the interests of the entire school corporation:

7 (c) One (1) of the members elected:

8 (1) is the at-large member of the advisory board;

9 (2) may reside in any of the districts drawn under section 4 of this  
10 chapter; and

11 (3) upon election and in conducting the business of the advisory  
12 board; represents the interests of the entire school corporation:

13 (d) A per diem may not be paid to a member.

14 (e) The advisory board may hold a public meeting subject to the  
15 limits on the number of meetings set forth in IC 6-1.1-20.3-6.8(d). The  
16 advisory board is subject to IC 5-14-1.5 (the open door law) for these  
17 meetings. The advisory board may hold additional meetings that are  
18 authorized as executive sessions under IC 5-14-1.5 (the open door law)  
19 as provided in IC 5-14-1.5-6.1. The advisory board is subject to the  
20 public notice requirements of IC 5-14-1.5 (the open door law) for these  
21 additional meetings. The records of the advisory board are subject to  
22 IC 5-14-3 (access to public records):

23 SECTION 9. IC 20-23-12-4 IS REPEALED [EFFECTIVE JULY 1,  
24 2023]. Sec. 4: The districts are drawn on the same lines as the common  
25 council districts referred to in IC 36-4-6-3:

26 SECTION 10. IC 20-23-12-5 IS REPEALED [EFFECTIVE JULY  
27 1, 2023]. Sec. 5: (a) The six (6) members who are elected for a position  
28 on the advisory board described under section 3(b) of this chapter are  
29 determined as follows:

30 (1) Each prospective candidate must file a nomination petition  
31 with the board of elections and registration not earlier than one  
32 hundred four (104) days and not later than noon seventy-four (74)  
33 days before the election at which the members are to be elected  
34 that includes the following information:

35 (A) The name of the prospective candidate:

36 (B) The district in which the prospective candidate resides:

37 (C) The signatures of at least one hundred (100) registered  
38 voters residing in the school corporation:

39 (D) The fact that the prospective candidate is running for a  
40 district position:

41 (E) A certification that the prospective candidate meets the  
42 qualifications for candidacy imposed by this chapter:



- 1 (2) Only eligible voters residing in the district may vote for a
- 2 candidate:
- 3 (3) The candidate within each district who receives the greatest
- 4 number of votes in the district is elected.
- 5 (b) The at-large member elected under section 3(c) of this chapter
- 6 is determined as follows:
- 7 (1) Each prospective candidate must file a nomination petition
- 8 with the clerk of the circuit court at least seventy-four (74) days
- 9 before the election at which the at-large member is to be elected.
- 10 The petition must include the following information:
- 11 (A) The name of the prospective candidate:
- 12 (B) The signatures of at least one hundred (100) registered
- 13 voters residing within the school corporation:
- 14 (C) The fact that the prospective candidate is running for the
- 15 at-large position on the advisory board:
- 16 (D) A certification that the prospective candidate meets the
- 17 qualifications for candidacy imposed by this chapter.
- 18 (2) Only eligible voters residing in the school corporation may
- 19 vote for a candidate:
- 20 (3) The candidate who:
- 21 (A) runs for the at-large position on the advisory board; and
- 22 (B) receives the greatest number of votes in the school
- 23 corporation;
- 24 is elected to the at-large position:
- 25 SECTION 11. IC 20-23-12-6 IS REPEALED [EFFECTIVE JULY
- 26 1, 2023]. Sec. 6: (a) A candidate who runs for a position on the
- 27 advisory board described under section 3(b) of this chapter must reside
- 28 in the school corporation district for which the candidate filed:
- 29 (b) A candidate who runs for the at-large position on the advisory
- 30 board described in section 3(c) of this chapter must reside in the school
- 31 corporation:
- 32 SECTION 12. IC 20-23-12-7 IS REPEALED [EFFECTIVE JULY
- 33 1, 2023]. Sec. 7: The state board, with assistance from the county
- 34 election board, shall establish:
- 35 (1) balloting procedures under IC 3 for the election; and
- 36 (2) all other procedures required to implement this chapter.
- 37 SECTION 13. IC 20-23-12-8 IS REPEALED [EFFECTIVE JULY
- 38 1, 2023]. Sec. 8: (a) The term of each person elected to serve on the
- 39 advisory board is four (4) years.
- 40 (b) The term of each person elected to serve on the advisory board
- 41 begins on the date set in the school corporation's organization plan. The
- 42 date set in the organization plan for an elected member of the advisory





1 board to take office may not be more than fourteen (14) months after  
 2 the date of the member's election. If the school corporation's  
 3 organization plan does not set a date for an elected member of the  
 4 advisory board to take office, the member takes office January 1 that  
 5 immediately follows the person's election.

6 SECTION 14. IC 20-23-12-9 IS REPEALED [EFFECTIVE JULY  
 7 1, 2023]. See: 9: The members are elected as follows:

8 (1) Three (3) of the members elected under section 3(b) of this  
 9 chapter are elected at the general election to be held in 2020 and  
 10 every four (4) years thereafter.

11 (2) Three (3) of the members elected under section 3(b) of this  
 12 chapter are elected at the general election to be held in 2022 and  
 13 every four (4) years thereafter.

14 (3) The at-large member elected under section 3(c) of this chapter  
 15 is elected at the general election to be held in 2024 and every four  
 16 (4) years thereafter.

17 SECTION 15. IC 20-23-12-10 IS REPEALED [EFFECTIVE JULY  
 18 1, 2023]. See: 10: (a) A vacancy on the advisory board is created when:

19 (1) a member:

20 (A) dies;

21 (B) resigns from the advisory board;

22 (C) ceases to be a resident of the school corporation;

23 (D) fails to attend, except for reason of chronic illness, six (6)  
 24 regularly scheduled meetings of the advisory board in any  
 25 twelve (12) month period; or

26 (E) ceases to be a resident of the school district in which the  
 27 member was elected; or

28 (2) a vacancy is created under any other law.

29 (b) The advisory board shall temporarily fill a vacancy on the  
 30 advisory board as soon as practicable after the vacancy occurs.

31 SECTION 16. IC 20-23-12-11 IS REPEALED [EFFECTIVE JULY  
 32 1, 2023]. See: 11: Before August 1 of each year, the school corporation  
 33 shall file with the secretary of education a list of the:

34 (1) names and addresses of members of the school corporation's  
 35 advisory board;

36 (2) names and addresses of the school corporation's officers; and

37 (3) expiration dates of the terms of the school corporation's  
 38 members and officers.

39 The school corporation shall file any change in the list not later than  
 40 thirty (30) days after the change occurs.

41 SECTION 17. IC 20-23-12.1 IS ADDED TO THE INDIANA  
 42 CODE AS A NEW CHAPTER TO READ AS FOLLOWS



1 [EFFECTIVE MAY 1, 2023]:

2 **Chapter 12.1. Appointment of Board of Trustees Members for**  
 3 **Gary Community School Corporation**

4 **Sec. 1. IC 20-23-8 does not apply to:**

5 (1) a school corporation; or

6 (2) the governing body of a school corporation;

7 covered by this chapter.

8 **Sec. 2. As used in this chapter, "school corporation" means the**  
 9 **Gary Community School Corporation.**

10 **Sec. 3. (a) After June 30, 2023, the governing body of the Gary**  
 11 **Community School Corporation consists of the following seven (7)**  
 12 **board of trustees members:**

13 (1) Three (3) members appointed by the executive of the city  
 14 of Gary. Except as provided in subsection (b), each member's  
 15 term is four (4) years.

16 (2) Three (3) members appointed by the Gary common  
 17 council. Except as provided in subsection (b), each member's  
 18 term is four (4) years.

19 (3) One (1) member appointed by the Gary library board.  
 20 Except as provided in subsection (b), the member's term is  
 21 four (4) years.

22 (b) One (1) of the members appointed:

23 (1) by the executive of the city of Gary; and

24 (2) by the Gary common council;

25 under subsection (a) whose term commences July 1, 2023, shall  
 26 serve an initial term of two (2) years. In addition, the member  
 27 appointed by the Gary library board, whose term commences July  
 28 1, 2023, shall serve an initial term of two (2) years. This subsection  
 29 expires July 1, 2025.

30 (c) On or before August 1, 2023, each member appointed under  
 31 subsection (a) shall participate in training pertaining to the duties  
 32 of the governing body provided by the Indiana School Boards  
 33 Association. This subsection expires January 1, 2024.

34 (d) A member's term expires June 30 in the applicable year in  
 35 which the member's term expires. A member appointed under  
 36 subsection (a) may be reappointed to an unlimited number of  
 37 terms.

38 (e) Members appointed under subsection (a) must be residents  
 39 of the city of Gary.

40 (f) Vacancies in the appointments to the governing body shall be  
 41 filled by the member's appointing authority in accordance with the  
 42 term requirements established in subsection (a). A member



1 appointed under this subsection serves for the remainder of the  
2 unexpired term.

3 (g) The members appointed to the governing body shall elect a  
4 president, vice president, and secretary from the members of the  
5 governing body.

6 Sec. 4. The governing body appointed under section 3 of this  
7 chapter shall serve in an advisory capacity to the distressed unit  
8 appeal board and the emergency manager appointed by the  
9 distressed unit appeal board under IC 6-1.1-20.3 until January 1,  
10 2024. The distressed unit appeal board and the emergency  
11 manager appointed by the distressed unit appeal board under  
12 IC 6-1.1-20.3 shall consult and inform the governing body of all  
13 decisions made by the distressed unit appeal board or the  
14 emergency manager relating to the administration or management  
15 of the school corporation.

16 Sec. 5. On January 1, 2024, the governing body appointed under  
17 section 3 of this chapter assumes all the powers, rights, duties, and  
18 obligations of a community school corporation as set forth in  
19 IC 20-23-4-26.

20 Sec. 6. (a) On or before October 1, 2023, the governing body  
21 shall do the following:

22 (1) Appoint, in consultation with the Indiana School Boards  
23 Association and with the input of the citizens of Gary, an  
24 individual to act as superintendent of the school corporation.

25 (2) Appoint, in consultation with the Indiana School Boards  
26 Association and with the input of the citizens of Gary, a chief  
27 financial officer.

28 (b) Before January 1, 2024, the superintendent appointed under  
29 subsection (a) shall work under the supervision of the emergency  
30 manager as an advisor on all financial, instructional, and  
31 management decisions relating to the school corporation. After  
32 December 31, 2023, the superintendent will assume the  
33 responsibilities of the management and supervision of the school  
34 corporation under the direction of the governing body.

35 (c) Before January 1, 2024, the chief financial officer appointed  
36 under subsection (a) shall work under the supervision of the  
37 emergency manager as an advisor in all financial decisions relating  
38 to the school corporation. After December 31, 2023, the chief  
39 financial officer shall assume all duties of the fiscal management of  
40 the school corporation under the direction of the superintendent  
41 and the governing body.

42 SECTION 18. IC 20-29-2-6, AS AMENDED BY P.L.272-2019,



1 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
2 MAY 1, 2023]: Sec. 6. "Deficit financing" for a budget year:

3 (1) means, except as provided in subdivision (2), actual  
4 expenditures exceeding the employer's current year actual  
5 education fund revenue and, for a school employer for which the  
6 voters have passed an operating referendum tax levy under  
7 IC 20-46-1 or a school safety referendum tax levy under  
8 IC 20-46-9, the amount of revenue certified by the department of  
9 local government finance; or

10 (2) means, in the case of ~~any distressed school corporation; the~~  
11 ~~Gary Community School Corporation; or the Muncie Community~~  
12 ~~school corporation~~ **or any other distressed school corporation**  
13 actual expenditures plus additional payments against any  
14 outstanding debt obligations exceeding the employer's current  
15 year actual education fund revenue, and, for a school employer for  
16 which the voters have passed an operating referendum tax levy  
17 under IC 20-46-1 or a school safety referendum tax levy under  
18 IC 20-46-9, the amount of revenue certified by the department of  
19 local government finance.

20 Except as provided in IC 20-29-6-3(c), revenue does not include money  
21 estimated to be or actually transferred from the school corporation's  
22 operations fund to its education fund.

23 SECTION 19. [EFFECTIVE MAY 1, 2023] **(a) As used in this**  
24 **SECTION, "advisory board" refers to the Gary public schools**  
25 **advisory board established under IC 20-23-12-3, before its**  
26 **amendment by this act.**

27 **(b) As used in this SECTION, "governing body" refers to the**  
28 **governing body appointed under IC 20-23-12.1-3(a), as added by**  
29 **this act.**

30 **(c) The terms of the members of the advisory board expire June**  
31 **30, 2023.**

32 **(d) The term of the member appointed to the fiscal management**  
33 **board under IC 6-1.1-20.3-6.8(g)(1), before its amendment by this**  
34 **act, expires June 30, 2023.**

35 **(e) Before July 1, 2023, the appointing authorities described in**  
36 **IC 20-23-12.1-3(a), as added by this act, shall appoint the initial**  
37 **members to the governing body in the manner prescribed by**  
38 **IC 20-23-12.1-3, as added by this act.**

39 **(f) The initial terms for members of the governing body**  
40 **appointed under subsection (e) begin July 1, 2023.**

41 **(g) This SECTION expires July 1, 2026.**

