

HOUSE BILL No. 1187

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; IC 34-30-2-16.3.

Synopsis: Gary Community Schools. 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. Provides that the Gary Community School Corporation is not subject to collective bargaining. Removes obsolete provisions and makes conforming amendments. Provides that, before October 31, 2024, and before each October 31 thereafter, the governing body must submit a report to the distressed unit appeal board summarizing the financial position and operations of the school corporation for the previous state fiscal year. Repeals provisions relating to the election of advisory board members for the Gary Community School Corporation.

Effective: Upon passage; July 1, 2022.

Brown T, Thompson

January 6, 2022, read first time and referred to Committee on Ways and Means.



Second Regular Session of the 122nd General Assembly (2022)

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 2021 Regular Session of the General Assembly.

HOUSE BILL No. 1187

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, 2022]: 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



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, 2022]: 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, 2022]: 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, 2022]: 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. This
 9 designation as a distressed political subdivision is effective regardless
 10 of whether the school corporation has submitted a petition requesting
 11 to be designated as a distressed political subdivision. ~~Until the school~~
 12 ~~corporation's designation as a distressed political subdivision is~~
 13 ~~terminated as provided in section 13(b) of this chapter, the Gary~~
 14 ~~Community School Corporation advisory board may not hold a public~~
 15 ~~meeting more often than once every three (3) months. This limit on the~~
 16 ~~number of meetings of the advisory board does not apply to the~~
 17 ~~emergency manager. The emergency manager shall hold a monthly~~
 18 ~~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, the following apply to the emergency manager appointed
 31 under section 7.5 of this chapter for the school corporation:
 32 (1) The emergency manager has the powers and duties specified
 33 in this chapter.
 34 (2) ~~The emergency manager shall consider recommendations~~
 35 ~~from the fiscal management board and the advisory board, but the~~
 36 ~~emergency manager has full responsibility and authority related~~
 37 ~~to financial and academic matters of the school corporation, and~~
 38 ~~the emergency manager may act, as specified in this chapter, on~~
 39 ~~these financial and academic matters without the approval of the~~
 40 ~~fiscal management board or the advisory board.~~
 41 ~~(3)~~ **(2)** Notwithstanding section 7.5(d) of this chapter, the
 42 distressed unit appeal board shall:



- 1 (A) determine the compensation of the emergency manager;
 2 ~~chief financial officer, and chief academic officer~~; and
 3 (B) subject to subsections ~~(i)~~ (g) and ~~(j)~~; (h), pay the
 4 emergency manager's ~~chief financial officer's, and chief~~
 5 ~~academic officer's~~ compensation and reimburse the emergency
 6 manager ~~chief financial officer, and chief academic officer~~ for
 7 actual and necessary expenses from funds appropriated to the
 8 distressed unit appeal board.
- 9 ~~(4)~~ (3) Before appointing the emergency manager, the distressed
 10 unit appeal board shall interview at least one (1) resident of the
 11 city of Gary as a candidate for the position. If the distressed unit
 12 appeal board is not able to interview a resident of the city of Gary
 13 as a candidate for the position, the distressed unit appeal board
 14 shall interview at least one (1) individual who is a resident of
 15 Lake County or northwest Indiana as a candidate for the position.
 16 The appointment of the emergency manager for the school corporation
 17 is terminated on the date the school corporation's designation as a
 18 distressed political subdivision is terminated as provided in section
 19 13(b) of this chapter.
- 20 (f) In addition to any other actions that the distressed unit appeal
 21 board may take under this chapter concerning a distressed political
 22 subdivision, for a distressed school corporation, the distressed unit
 23 appeal board may also do any of the following:
- 24 (1) The distressed unit appeal board may delay or suspend, for a
 25 period determined by the board, any payments of principal or
 26 interest, or both, that would otherwise be due from the school
 27 corporation on loans or advances from the common school fund.
- 28 (2) The distressed unit appeal board may recommend to the state
 29 board of finance that the state board of finance make an interest
 30 free loan to the school corporation from the common school fund.
 31 The distressed unit appeal board shall determine the payment
 32 schedule and the commencement date for the loan. If the
 33 distressed unit appeal board makes a recommendation that such
 34 a loan be made, the state board of finance may, notwithstanding
 35 IC 20-49, make such a loan for a term of not more than ten (10)
 36 years.
- 37 (3) The distressed unit appeal board may establish benchmarks of
 38 financial improvement for the school corporation.
- 39 (4) The distressed unit appeal board may provide a grant or grants
 40 to the school corporation from funds appropriated to the
 41 distressed unit appeal board, in amounts determined by the
 42 distressed unit appeal board, to assist the school corporation in



1 overcoming short term financial problems.

2 (5) The distressed unit appeal board may make a recommendation
3 to the general assembly concerning the possible restructuring of
4 advances made to the school corporation from the common school
5 fund, including forgiveness of principal and interest on those
6 advances.

7 (g) The fiscal management board is established. The fiscal
8 management board consists of the following members:

9 (1) One (1) member appointed by the advisory board.

10 (2) One (1) member appointed by the mayor of the city of Gary.

11 (3) One (1) member, who must have experience working with or
12 for an urban school corporation; appointed by the secretary of
13 education.

14 (4) One (1) member, who must have experience working with or
15 for an urban school corporation; appointed by the state board of
16 education.

17 (h) The following apply to the fiscal management board and to the
18 members of the fiscal management board:

19 (1) The term of office of a member of the fiscal management
20 board is four (4) years; beginning on the date of appointment. A
21 member of the fiscal management board may be reappointed to
22 the fiscal management board. A member of the fiscal
23 management board may be removed for cause by the appointing
24 authority:

25 (2) A member of the fiscal management board must have the
26 following:

27 (A) At least three (3) years experience in financial
28 management:

29 (B) A meaningful background and work experience in finance
30 and business:

31 (C) An understanding of government contracts:

32 (D) Knowledge and experience in organizational effectiveness;
33 operations management; and implementing best practices:

34 (E) Experience in budget development and oversight:

35 (F) A demonstrated commitment to high professional and
36 ethical standards and a diverse workplace:

37 (G) An understanding of tax and other compliance
38 implications:

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

41 (4) The fiscal management board:

42 (A) shall make recommendations to the emergency manager;



- 1 and
- 2 (B) shall advise the emergency manager as requested by the
- 3 emergency manager.
- 4 (5) The members of the fiscal management board are not entitled
- 5 to any compensation for their service on the fiscal management
- 6 board.
- 7 (6) The fiscal management board is abolished; and the terms of
- 8 the members of the fiscal management board are terminated; on
- 9 the date the school corporation's designation as a distressed
- 10 political subdivision is terminated as provided in section 13(b) of
- 11 this chapter.
- 12 (7) Under the supervision of the emergency manager, the fiscal
- 13 management board shall serve as a liaison to and shall work
- 14 jointly with the distressed unit appeal board; the mayor of the city
- 15 of Gary; and the department of education to develop a transition
- 16 plan to address issues or questions related to:
- 17 (A) the designation of the school corporation as a distressed
- 18 political subdivision and the transfer of powers and duties to
- 19 the emergency manager under this chapter; and
- 20 (B) the potential impact of the transition on the community
- 21 and the school corporation.
- 22 (8) Under the supervision of the emergency manager, the fiscal
- 23 management board shall work jointly with the distressed unit
- 24 appeal board; the mayor of the city of Gary; and the department
- 25 of education to provide information on a regular basis to parents;
- 26 students; employees of the school corporation; and the public on
- 27 the status of the transition.
- 28 (i) (g) The emergency manager shall employ a chief financial officer
- 29 for the school corporation. The chief financial officer is an employee
- 30 of the school corporation. The chief financial officer shall report to the
- 31 emergency manager and shall assist the emergency manager appointed
- 32 for the school corporation and the fiscal management board in carrying
- 33 out the day to day financial operations of the school corporation. Before
- 34 July 1, 2019, the compensation of the chief financial officer shall be
- 35 determined by the distressed unit appeal board. Before July 1, 2019, the
- 36 compensation of the chief financial officer shall be paid from the funds
- 37 appropriated to the distressed unit appeal board. After June 30, 2019;
- 38 The compensation of the chief financial officer shall be determined by
- 39 and paid by the school corporation. The chief financial officer:
- 40 (1) must possess, through both education and experience, an
- 41 understanding of finance and financial management; and
- 42 (2) must possess any other experience and must meet any other



1 requirements as required by the distressed unit appeal board to
 2 ensure that the chief financial officer is qualified to carry out the
 3 financial restructuring of the school corporation.

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

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

- 26 (1) hold a valid license to teach in a public school under
 27 IC 20-28-5;
 28 (2) possess, through both education and experience, an
 29 understanding of curriculum and academics; and
 30 (3) possess any other experience and meet any other requirements
 31 as required by the distressed unit appeal board to ensure that the
 32 chief academic officer is qualified to carry out the academic goals
 33 of the school corporation.

34 Before employing a chief academic officer under this subsection, the
 35 emergency manager shall interview at least one (1) resident of the city
 36 of Gary as a candidate for the position. If the emergency manager is not
 37 able to interview a resident of the city of Gary as a candidate for the
 38 position, the emergency manager shall interview at least one (1)
 39 individual who is a resident of Lake County or northwest Indiana as a
 40 candidate for the position.

41 ~~(k)~~ **(i)** The chief financial officer and chief academic officer shall
 42 assist the emergency manager in carrying out the emergency manager's



- 1 duties under this chapter.
- 2 ~~(h)~~ **(j)** The annual budget adopted by the emergency manager for the
 3 school corporation must dedicate a significant part of the school
 4 corporation's budget to eliminating the school corporation's outstanding
 5 financial obligations. The emergency manager shall attempt to
 6 negotiate with the creditors of the school corporation to establish a plan
 7 specifying the schedule for paying each creditor. The emergency
 8 manager shall submit the plan to the distressed unit appeal board for
 9 approval. The distressed unit appeal board must:
- 10 (1) review the plan submitted by the emergency manager; and
 11 (2) not later than sixty (60) days after the plan is submitted,
 12 either:
- 13 (A) approve the plan as submitted by the emergency manager;
 14 or
 15 (B) modify the plan as submitted by the emergency manager
 16 and then approve the modified plan.
- 17 ~~(m)~~ **(k)** The emergency manager shall consider any
 18 recommendations from ~~the fiscal management board; the advisory~~
 19 ~~board; and~~ the mayor of the city of Gary in developing the school
 20 corporation's annual budget. The distressed unit appeal board must
 21 review and approve the school corporation's annual budget that is
 22 proposed by the emergency manager. ~~When the emergency manager~~
 23 ~~submits the school corporation's proposed annual budget to the~~
 24 ~~distressed unit appeal board; the emergency manager shall provide~~
 25 ~~copies of the proposed annual budget to the fiscal management board~~
 26 ~~and the advisory board.~~
- 27 ~~(n)~~ **(l)** After considering any recommendations from ~~the fiscal~~
 28 ~~management board; the advisory board; and~~ the mayor of the city of
 29 Gary, the emergency manager shall do the following:
- 30 (1) Conduct a financial and compliance audit of the operations of
 31 the school corporation.
 32 (2) Develop a written financial plan for the school corporation.
 33 The object of the plan must be to achieve financial stability for
 34 the school corporation, and the plan must include provisions for
 35 paying all of the school corporation's outstanding obligations and
 36 for paying all future obligations of the school corporation
 37 (including any federal, state, or local taxes or assessments) in a
 38 timely manner.
- 39 ~~(o)~~ **(m)** In addition to the report required by section 8.5(c)(5) of this
 40 chapter, the emergency manager, the chief financial officer, and the
 41 chief academic officer shall report quarterly to the distressed unit
 42 appeal board in a format specified by the distressed unit appeal board.



- 1 The report must include:
- 2 (1) information concerning the actions that the school corporation
- 3 is taking to improve the financial condition of the school
- 4 corporation; and
- 5 (2) any other information required by the distressed unit appeal
- 6 board.
- 7 The emergency manager shall report more frequently than quarterly if
- 8 requested by the distressed unit appeal board. The emergency manager
- 9 shall provide copies of the report to ~~the fiscal management board, the~~
- 10 ~~advisory board, and~~ the mayor of the city of Gary. ~~The emergency~~
- 11 ~~manager shall present each report at a public meeting of the fiscal~~
- 12 ~~management board.~~
- 13 ~~(p)~~ **(n)** The school corporation shall do the following:
- 14 (1) Publish a copy of each report under subsection ~~(p)~~ **(m)** on the
- 15 school corporation's Internet web site, along with a link to the
- 16 main page of the Indiana transparency Internet web site
- 17 established under IC 5-14-3.7 to provide access to financial data
- 18 for local schools.
- 19 (2) Make copies of each report available free of charge to the
- 20 public upon request.
- 21 (3) Provide copies of each report to the mayor of the city of Gary.
- 22 The mayor shall make copies of the reports available free of
- 23 charge to the public upon request.
- 24 ~~(q)~~ **(o)** The chief academic officer shall develop an education plan
- 25 to provide academic services to students in the school corporation and
- 26 to achieve academic progress. The education plan must include at least
- 27 the following components:
- 28 (1) An academic program designed to meet Indiana's academic
- 29 standards and to assist students in meeting those academic
- 30 standards.
- 31 (2) A plan to improve the academic performance of all students,
- 32 including improvement in the performance of students on
- 33 standardized tests.
- 34 (3) A plan to engage parents in school performance and school
- 35 activities, including regular meetings at each school involving
- 36 administrators, teachers, parents, and interested members of the
- 37 community.
- 38 (4) A plan to implement performance standards that will attract
- 39 students and families to the school corporation.
- 40 (5) A plan specifying how the school corporation will work
- 41 directly with the city of Gary:
- 42 (A) to make the schools a successful component of life within



1 the city; and

2 (B) to develop a sense of pride and progress in the operations
3 and accomplishments of the school corporation.

4 ~~The chief financial officer and the chief academic officer shall submit~~
5 ~~a report to the advisory board each quarter. The chief financial officer~~
6 ~~and chief academic officer shall meet at least quarterly with the~~
7 ~~executive committee of the bargaining unit to inform the executive~~
8 ~~committee of the academic progress of the school corporation.~~

9 SECTION 5. IC 6-1.1-20.3-7.5, AS AMENDED BY
10 P.L.213-2018(ss), SECTION 8, IS AMENDED TO READ AS
11 FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 7.5. (a) This section
12 does not apply to a school corporation designated before July 1, 2013,
13 as a distressed political subdivision.

14 (b) If a political subdivision is designated as a distressed political
15 subdivision under this chapter, the board shall appoint an emergency
16 manager for the distressed political subdivision. An emergency
17 manager serves at the pleasure of the board. For purposes of IC 34-13,
18 an emergency manager appointed under this section is acting on behalf
19 of the distressed political subdivision and not the state.

20 (c) The chairperson of the board shall oversee the activities of an
21 emergency manager.

22 (d) Except as provided in this chapter, the distressed political
23 subdivision shall pay the emergency manager's compensation and
24 reimburse the emergency manager for actual and necessary expenses.

25 (e) ~~A member of a fiscal management board;~~ An emergency
26 manager, a chief financial officer, or a chief academic officer is
27 immune from civil liability for an act or omission within the scope and
28 arising out of the performance of duties prescribed by the board under
29 this chapter. This subsection does not apply to an act or omission that
30 constitutes gross negligence or willful misconduct.

31 (f) The attorney general shall represent a member of the distressed
32 unit appeal board, ~~a member of a fiscal management board;~~ an
33 emergency manager, a chief financial officer, or a chief academic
34 officer in a legal action arising out of the exercise of powers granted
35 under this chapter, if the member of the distressed unit appeal board,
36 ~~the member of a fiscal management board, emergency manager,~~ chief
37 financial officer, or chief academic officer makes a written request to
38 the attorney general requesting representation. The attorney general
39 may not represent a member of the distressed unit appeal board, ~~a~~
40 ~~member of a fiscal management board;~~ an emergency manager, a chief
41 financial officer, or a chief academic officer under this subsection if the
42 legal action is initiated or the claim is asserted by the member of the



1 distressed unit appeal board, ~~the member of the fiscal management~~
 2 ~~board~~, emergency manager, or ~~the~~ distressed political subdivision. If
 3 the attorney general represents a member of the distressed unit appeal
 4 board, a ~~member of a fiscal management board~~, an emergency
 5 manager, a chief financial officer, or a chief academic officer under this
 6 subsection, the member of the distressed unit appeal board, ~~the member~~
 7 ~~of a fiscal management board~~, emergency manager, chief financial
 8 officer, or chief academic officer is entitled to recover attorney's fees
 9 from the losing party to the extent the member of the distressed unit
 10 appeal board, ~~the member of the fiscal management board~~, emergency
 11 manager, chief financial officer, or chief academic officer prevails. Any
 12 attorney's fees recovered shall be deposited in the state general fund.

13 SECTION 6. IC 6-1.1-20.3-13, AS AMENDED BY
 14 P.L.213-2018(ss), SECTION 12, IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) If an
 16 emergency manager of a distressed political subdivision files a petition
 17 with the board for termination of the political subdivision's status as a
 18 distressed political subdivision, the board shall conduct a public
 19 hearing on the question of whether to terminate the political
 20 subdivision's status as a distressed political subdivision.

21 (b) **Subject to subsection (e)**, in the case of a political subdivision
 22 designated as distressed under this chapter, the board shall terminate
 23 the political subdivision's status as a distressed political subdivision if
 24 the board finds that the conditions found in section 6.5 of this chapter
 25 are no longer applicable to the political subdivision and all the
 26 following conditions are met:

27 (1) The political subdivision has achieved and maintained
 28 financial solvency for a period of at least two (2) years, including
 29 the following:

30 (A) Maintaining a structurally balanced budget for at least two
 31 (2) years.

32 (B) Having no unpaid or past due critical contractual financial
 33 obligations or vendor payments.

34 (2) The political subdivision has a fiscal plan that maintains
 35 financial solvency for a period of at least five (5) years after the
 36 termination of its distressed status.

37 (3) The political subdivision meets all other conditions identified
 38 by the board.

39 (4) The board determines that the political subdivision is
 40 financially stable.

41 (c) Notwithstanding subsection (b), in the case of a township
 42 designated as distressed under section 6.7 of this chapter, the board



1 shall terminate the township's status as a distressed political
 2 subdivision if the board finds that the township's township assistance
 3 property tax rate (as defined in section 6.7(a) of this chapter) for the
 4 current calendar year is not more than the result of:

- 5 (1) the statewide average township assistance property tax rate (as
 6 determined by the department of local government finance) for
 7 property taxes first due and payable in the preceding year;
 8 multiplied by
- 9 (2) twelve (12).

10 (d) Notwithstanding any other section of this chapter, not later than
 11 ninety (90) days after taking office, a new executive of a distressed
 12 political subdivision may petition the board for suspension of the
 13 political subdivision's distressed status. In the case of a political
 14 subdivision designated as distressed under section 6.5 of this chapter,
 15 the executive must include in its petition a written plan to resolve the
 16 applicable issues described in section 6.5 of this chapter. In the case of
 17 a township designated as distressed under section 6.7 of this chapter,
 18 the executive must include in its petition a written plan to lower the
 19 township's township assistance property tax rate (as defined in section
 20 6.7(a) of this chapter). If the board approves the executive's written
 21 plan, the board may suspend the political subdivision's distressed status
 22 for one hundred eighty (180) days. Suspension under this chapter
 23 terminates automatically upon expiration of the one hundred eighty
 24 (180) day period. The board may consider a petition to terminate the
 25 political subdivision's distressed status during a period of suspension.

26 **(e) This subsection applies to the Gary Community School**
 27 **Corporation. The governing body appointed under IC 20-23-12.1-3**
 28 **shall appoint the emergency manager to serve as the**
 29 **superintendent for one (1) year from the date the distressed unit**
 30 **appeal board terminates the Gary Community School**
 31 **Corporation's status as a distressed political subdivision under**
 32 **subsection (b). The distressed unit appeal board shall pay the fee**
 33 **for the emergency manager during the one (1) year period**
 34 **described in this subsection from the funds appropriated to the**
 35 **distressed unit appeal board.**

36 SECTION 7. IC 20-23-8-5, AS AMENDED BY P.L.233-2015,
 37 SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JULY 1, 2022]: Sec. 5. As used in this chapter, "school corporation"
 39 means a local public school corporation established under the laws of
 40 Indiana. The term does not include a school corporation covered by
 41 ~~IC 20-23-12~~, IC 20-23-12.1, IC 20-23-17, or IC 20-23-17.2.

42 SECTION 8. IC 20-23-12-1 IS REPEALED [EFFECTIVE UPON



1 PASSAGE]. Sec. 1: IC 20-23-8 does not apply to:

2 (1) a school corporation; or

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

4 covered by this chapter.

5 SECTION 9. IC 20-23-12-3, AS AMENDED BY P.L.213-2018(ss),
6 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7 UPON PASSAGE]: Sec. 3. (a) The emergency manager appointed by
8 the distressed unit appeal board under IC 6-1.1-20.3 shall act as the
9 governing body of the school corporation and has the powers set forth
10 in IC 6-1.1-20.3-8.5, including the powers and duties of the governing
11 body of the school corporation **until the school corporation's status**
12 **as a distressed political subdivision is terminated under**
13 **IC 6-1.1-20.3-13(b)**. The school corporation shall also have an
14 advisory board that consists of seven (7) members elected as follows:

15 (1) On a nonpartisan basis:

16 (2) In a general election in the county.

17 The advisory board is created to provide nonbinding recommendations
18 to the emergency manager.

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

21 (1) is elected from the school district in which the member
22 resides; and

23 (2) upon election and in conducting the business of the advisory
24 board; represents the interests of the entire school corporation.

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

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

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

29 (3) upon election and in conducting the business of the advisory
30 board; represents the interests of the entire school corporation.

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

32 (e) The advisory board may hold a public meeting subject to the
33 limits on the number of meetings set forth in IC 6-1.1-20.3-6.8(d). The
34 advisory board is subject to IC 5-14-1.5 (the open door law) for these
35 meetings. The advisory board may hold additional meetings that are
36 authorized as executive sessions under IC 5-14-1.5 (the open door law)
37 as provided in IC 5-14-1.5-6.1. The advisory board is subject to the
38 public notice requirements of IC 5-14-1.5 (the open door law) for these
39 additional meetings. The records of the advisory board are subject to
40 IC 5-14-3 (access to public records):

41 SECTION 10. IC 20-23-12-4 IS REPEALED [EFFECTIVE UPON
42 PASSAGE]. Sec. 4: The districts are drawn on the same lines as the



1 common council districts referred to in IC 36-4-6-3.

2 SECTION 11. IC 20-23-12-5 IS REPEALED [EFFECTIVE UPON
3 PASSAGE]. Sec. 5: (a) The six (6) members who are elected for a
4 position on the advisory board described under section 3(b) of this
5 chapter are determined as follows:

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

11 (A) The name of the prospective candidate:

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

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

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

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

19 (2) Only eligible voters residing in the district may vote for a
20 candidate:

21 (3) The candidate within each district who receives the greatest
22 number of votes in the district is elected:

23 (b) The at-large member elected under section 3(c) of this chapter
24 is determined as follows:

25 (1) Each prospective candidate must file a nomination petition
26 with the clerk of the circuit court at least seventy-four (74) days
27 before the election at which the at-large member is to be elected:
28 The petition must include the following information:

29 (A) The name of the prospective candidate:

30 (B) The signatures of at least one hundred (100) registered
31 voters residing within the school corporation:

32 (C) The fact that the prospective candidate is running for the
33 at-large position on the advisory board:

34 (D) A certification that the prospective candidate meets the
35 qualifications for candidacy imposed by this chapter:

36 (2) Only eligible voters residing in the school corporation may
37 vote for a candidate:

38 (3) The candidate who:

39 (A) runs for the at-large position on the advisory board; and

40 (B) receives the greatest number of votes in the school
41 corporation;

42 is elected to the at-large position:



1 SECTION 12. IC 20-23-12-6 IS REPEALED [EFFECTIVE UPON
2 PASSAGE]. Sec. 6: (a) A candidate who runs for a position on the
3 advisory board described under section 3(b) of this chapter must reside
4 in the school corporation district for which the candidate filed:

5 (b) A candidate who runs for the at-large position on the advisory
6 board described in section 3(c) of this chapter must reside in the school
7 corporation:

8 SECTION 13. IC 20-23-12-7 IS REPEALED [EFFECTIVE UPON
9 PASSAGE]. Sec. 7: The state board, with assistance from the county
10 election board, shall establish:

11 (1) balloting procedures under IC 3 for the election; and

12 (2) all other procedures required to implement this chapter:

13 SECTION 14. IC 20-23-12-8 IS REPEALED [EFFECTIVE UPON
14 PASSAGE]. Sec. 8: (a) The term of each person elected to serve on the
15 advisory board is four (4) years:

16 (b) The term of each person elected to serve on the advisory board
17 begins on the date set in the school corporation's organization plan. The
18 date set in the organization plan for an elected member of the advisory
19 board to take office may not be more than fourteen (14) months after
20 the date of the member's election. If the school corporation's
21 organization plan does not set a date for an elected member of the
22 advisory board to take office, the member takes office January 1 that
23 immediately follows the person's election:

24 SECTION 15. IC 20-23-12-9 IS REPEALED [EFFECTIVE UPON
25 PASSAGE]. Sec. 9: The members are elected as follows:

26 (1) Three (3) of the members elected under section 3(b) of this
27 chapter are elected at the general election to be held in 2020 and
28 every four (4) years thereafter:

29 (2) Three (3) of the members elected under section 3(b) of this
30 chapter are elected at the general election to be held in 2022 and
31 every four (4) years thereafter:

32 (3) The at-large member elected under section 3(c) of this chapter
33 is elected at the general election to be held in 2024 and every four
34 (4) years thereafter:

35 SECTION 16. IC 20-23-12-10 IS REPEALED [EFFECTIVE UPON
36 PASSAGE]. Sec. 10: (a) A vacancy on the advisory board is created
37 when:

38 (1) a member:

39 (A) dies;

40 (B) resigns from the advisory board;

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

42 (D) fails to attend, except for reason of chronic illness; six (6)



- 1 regularly scheduled meetings of the advisory board in any
- 2 twelve (12) month period; or
- 3 (E) ceases to be a resident of the school district in which the
- 4 member was elected; or
- 5 (2) a vacancy is created under any other law:

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

8 SECTION 17. IC 20-23-12-11 IS REPEALED [EFFECTIVE UPON
 9 PASSAGE]. See: ~~11~~. Before August 1 of each year, the school
 10 corporation shall file with the secretary of education a list of the:

- 11 (1) names and addresses of members of the school corporation's
- 12 advisory board;
- 13 (2) names and addresses of the school corporation's officers; and
- 14 (3) expiration dates of the terms of the school corporation's
- 15 members and officers.

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

18 SECTION 18. IC 20-23-12.1 IS ADDED TO THE INDIANA
 19 CODE AS A NEW CHAPTER TO READ AS FOLLOWS
 20 [EFFECTIVE JULY 1, 2022]:

21 **Chapter 12.1. Appointment of Board Members for Gary**
 22 **Community School Corporation**

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

- 24 (1) a school corporation; or
 - 25 (2) the governing body of a school corporation;
- 26 covered by this chapter.

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

29 **Sec. 3. (a) The governing body of the Gary Community School**
 30 **Corporation consists of the following seven (7) members:**

- 31 (1) Five (5) members appointed by the secretary of education.
- 32 Except as provided in subsection (b), the member's term is
- 33 four (4) years.
- 34 (2) Two (2) members appointed by the secretary of education.
- 35 One (1) of the members appointed under this subdivision shall
- 36 be from a group of three (3) candidates recommended by the
- 37 executive of the city of Gary. One (1) of the members
- 38 appointed under this subdivision shall be from a group of
- 39 three (3) candidates recommended by the Gary city council.
- 40 Except as provided in subsection (b), each member's term is
- 41 four (4) years.

42 (b) Three (3) of the members appointed by the secretary of



1 education under subsection (a) whose term commences July 1,
2 2022, shall serve an initial term of two (2) years. This subsection
3 expires July 1, 2024.

4 (c) A member's term expires June 30 in the applicable year in
5 which the member's term expires. A member appointed under
6 subsection (a) may be reappointed to an unlimited number of
7 terms.

8 (d) At least four (4) members appointed under subsection (a)
9 must be residents of the city of Gary.

10 (e) A member of the governing body serves at the pleasure of the
11 member's appointing authority. Vacancies in the appointments to
12 the governing body shall be filled by the secretary of education in
13 accordance with the term requirements established in subsection
14 (a). A member appointed under this subsection serves for the
15 remainder of the unexpired term.

16 (f) Until June 30, 2024, the chairperson of the governing body
17 shall be a member appointed by the secretary of education. After
18 June 30, 2024, the members appointed to the governing body shall
19 elect one (1) of the appointed members to serve as chairperson.

20 Sec. 4. The governing body appointed under section 3 of this
21 chapter shall serve in an advisory capacity to the distressed unit
22 appeal board and the emergency manager appointed by the
23 distressed unit appeal board under IC 6-1.1-20.3, until the later of:

24 (1) July 1, 2023; or

25 (2) the date on which the school corporation's status as a
26 distressed political subdivision is terminated.

27 Sec. 5. (a) On the later of:

28 (1) July 1, 2023; or

29 (2) the date on which the school corporation's status as a
30 distressed political subdivision is terminated;

31 the governing body appointed under section 3 of this chapter
32 assumes all the powers, rights, duties, and obligations of a
33 community school corporation as set forth in IC 20-23-4-26.

34 (b) For the purposes of annual budgeting, IC 6-1.1-17-20 does
35 not apply to the governing body. The governing body is considered
36 a governing body with the majority of members elected for the
37 purposes of annual budgeting.

38 Sec. 6. The governing body appointed under section 3 of this
39 chapter may not meet more than one (1) time per month unless:

40 (1) for the period in which the governing body appointed
41 under section 3 of this chapter acts in an advisory capacity,
42 the distressed unit appeal board or the emergency manager



1 requests additional meetings; or
 2 (2) after the date on which the school corporation's status as
 3 a distressed political subdivision is terminated under
 4 IC 6-1.1-20.3-13(b), the superintendent of the school
 5 corporation requests additional meetings.

6 Sec. 7. Not later than October 31, 2024, and each October 31
 7 thereafter, the governing body shall submit to the distressed unit
 8 appeal board a report summarizing the financial position and
 9 operations of the school corporation for the previous state fiscal
 10 year.

11 SECTION 19. IC 20-29-2-6, AS AMENDED BY P.L.272-2019,
 12 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 UPON PASSAGE]: Sec. 6. "Deficit financing" for a budget year:

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

21 (2) means, in the case of ~~any distressed school corporation; the~~
 22 ~~Gary Community School Corporation; or the Muncie Community~~
 23 ~~school corporation or any other distressed school corporation~~
 24 **other than the Gary Community School Corporation**, actual
 25 expenditures plus additional payments against any outstanding
 26 debt obligations exceeding the employer's current year actual
 27 education fund revenue, and, for a school employer for which the
 28 voters have passed an operating referendum tax levy under
 29 IC 20-46-1 or a school safety referendum tax levy under
 30 IC 20-46-9, the amount of revenue certified by the department of
 31 local government finance.

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

35 SECTION 20. IC 20-29-2-12, AS AMENDED BY P.L.233-2015,
 36 SECTION 221, IS AMENDED TO READ AS FOLLOWS
 37 [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) **Except as provided in**
 38 **subsection (b)**, "school corporation" means a local public school
 39 corporation established under Indiana law. The term includes any:

- 40 (1) school city;
 41 (2) school town;
 42 (3) consolidated school corporation;



- 1 (4) metropolitan school district;
- 2 (5) township school corporation;
- 3 (6) county school corporation;
- 4 (7) united school corporation;
- 5 (8) community school corporation; and
- 6 (9) public career and technical education center or school or
- 7 school for children with disabilities established or maintained by
- 8 two (2) or more school corporations.

9 **(b) After June 30, 2023, the term does not include the Gary**
 10 **Community School Corporation.**

11 SECTION 21. IC 20-29-4-1, AS AMENDED BY P.L.229-2011,
 12 SECTION 177, IS AMENDED TO READ AS FOLLOWS
 13 [EFFECTIVE UPON PASSAGE]: Sec. 1. **(a) After June, 30, 2023,**
 14 **this section does not apply to the Gary Community School**
 15 **Corporation.**

- 16 **(b) School employees may:**
- 17 (1) form, join, or assist school employee organizations;
 - 18 (2) participate in collective bargaining with school employers
 - 19 through representatives of their own choosing; and
 - 20 (3) engage in other activities, individually or in concert;
- 21 to establish, maintain, or improve salaries, wages, salary and wage
 22 related fringe benefits, and other matters set forth in IC 20-29-6-4 and
 23 IC 20-29-6-5.

24 SECTION 22. IC 20-29-6-1.5 IS ADDED TO THE INDIANA
 25 CODE AS A NEW SECTION TO READ AS FOLLOWS
 26 [EFFECTIVE UPON PASSAGE]: **Sec. 1.5. After December 31, 2021,**
 27 **an exclusive representative of the Gary Community School**
 28 **Corporation may not enter into a collective bargaining agreement**
 29 **with the Gary Community School Corporation.**

30 SECTION 23. IC 34-30-2-16.3, AS ADDED BY P.L.86-2018,
 31 SECTION 237, IS AMENDED TO READ AS FOLLOWS
 32 [EFFECTIVE UPON PASSAGE]: Sec. 16.3. IC 6-1.1-20.3-7.5
 33 (Concerning an act or omission of a ~~fiscal management board member;~~
 34 an emergency manager, a chief financial officer, or a chief academic
 35 officer within the scope of and arising out of the performance of
 36 prescribed duties in a distressed political subdivision).

37 SECTION 24. [EFFECTIVE UPON PASSAGE] **(a) As used in this**
 38 **SECTION, "advisory board" refers to the Gary public schools**
 39 **advisory board established under IC 20-23-12-3, before its**
 40 **amendment by this act.**

41 **(b) As used in this SECTION, "governing body" refers to the**
 42 **governing body appointed by the secretary of education under**



- 1 **IC 20-23-12.1-3, as added by this act.**
- 2 **(c) The terms of the members of the advisory board expire upon**
- 3 **passage of this act.**
- 4 **(d) The term of the member appointed to the fiscal management**
- 5 **board under IC 6-1.1-20.3-6.8(g)(1), before its amendment by this**
- 6 **act, expires upon passage of this act.**
- 7 **(e) Before July 1, 2022, the secretary of education shall appoint**
- 8 **the initial members to the governing body in the manner**
- 9 **prescribed by IC 20-23-12.1-3, as added by this act.**
- 10 **(f) The initial terms for members of the governing body**
- 11 **appointed under subsection (e) begin July 1, 2022.**
- 12 **(g) This SECTION expires July 1, 2025.**
- 13 **SECTION 25. An emergency is declared for this act.**

