



February 28, 2014

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# ENGROSSED HOUSE BILL No. 1321

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DIGEST OF HB 1321 (Updated February 26, 2014 3:15 pm - DI 116)

**Citations Affected:** IC 20-25.5 .

**Synopsis:** Innovation network schools. Authorizes Indianapolis public schools to enter into an agreement with a school management team to establish innovation network schools.

**Effective:** July 1, 2014.

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## Behning, Huston

(SENATE SPONSORS — MILLER PETE, KENLEY, KRUSE, GROOMS,  
SCHNEIDER, TAYLOR)

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January 15, 2014, read first time and referred to Committee on Education.  
January 27, 2014, amended, reported — Do Pass.  
January 29, 2014, read second time, amended, ordered engrossed.  
January 30, 2014, engrossed. Read third time, passed. Yeas 54, nays 37.

SENATE ACTION

February 4, 2014, read first time and referred to Committee on Education and Career Development.  
February 27, 2014, amended, reported favorably — Do Pass.

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EH 1321—LS 6837/DI 116





February 28, 2014

Second Regular Session 118th General Assembly (2014)

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 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

## ENGROSSED HOUSE BILL No. 1321

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

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

1 SECTION 1. IC 20-25.5 IS ADDED TO THE INDIANA CODE AS  
2 A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
3 2014]:

4 **ARTICLE 25.5. INNOVATION NETWORK SCHOOLS**

5 **Chapter 1. Applicability**

6 **Sec. 1. This article applies to a common school corporation that:**

7 (1) is located in whole or in part in the most populous  
8 township in a county having a population of more than seven  
9 hundred thousand (700,000); and

10 (2) serves the largest geographical territory of any school  
11 corporation in the county.

12 **Chapter 2. Definitions**

13 **Sec. 1. As used in this article, "board" has the meaning set forth**  
14 **in IC 20-25-2-5.**

15 **Sec. 2. As used in this article, "eligible school" means a school**  
16 **which is part of a school corporation that:**

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1           (1) was in the lowest two (2) categories of school improvement  
 2           for three (3) consecutive school years; or  
 3           (2) is vacant, underutilized or underenrolled as designated by  
 4           the school corporation.

5           **Sec. 3.** As used in this article, "innovation network school" is an  
 6           eligible school operated by a school management team.

7           **Sec. 4.** As used in this article, "school management team" is an  
 8           entity responsible for the operations of an eligible school within a  
 9           school corporation.

10           **Chapter 3. Establishment of Innovation Network Schools**

11           **Sec. 1.** An innovation network school is subject to all federal and  
 12           state laws and constitutional provisions that prohibit  
 13           discrimination on the basis of the following:

- 14           (1) Disability.  
 15           (2) Race.  
 16           (3) Color.  
 17           (4) Gender.  
 18           (5) National origin.  
 19           (6) Religion.  
 20           (7) Ancestry.

21           **Sec. 2. (a)** The board may enter into an agreement with a school  
 22           management team to establish an innovation network school.

23           **(b)** The terms of the agreement shall specify the following:

- 24           (1) A statement that the innovation network school is  
 25           considered to be part of the school corporation and not  
 26           considered a separate local educational agency.  
 27           (2) A statement that the school management team authorizes  
 28           the school corporation to include the innovation network  
 29           school's performance assessment results under IC 20-31-8  
 30           when calculating the school corporation's performance  
 31           assessment under rules adopted by the state board.  
 32           (3) Provide that the innovation network school is eligible to  
 33           receive state and federal funding, including tuition support, as  
 34           determined in the agreement.

35           **(c)** If a school management team and a board enter into an  
 36           agreement under subsection (a), the school management team and  
 37           the board shall notify the department that an agreement has been  
 38           made under this section within thirty (30) days of the agreement.

39           **(d)** The school corporation and the school management team  
 40           shall outline the distribution of all federal and state funds in the  
 41           agreement entered into under subsection (a).

42           **(e)** Upon receipt of the notification under subsection (c), the



1 department shall, for school years starting after the date of the  
 2 agreement, include the innovation network school's performance  
 3 assessment results under IC 20-31-8 when calculating the school  
 4 corporation's performance assessment under rules adopted by the  
 5 state board.

6 **Sec. 3. (a)** For as long as the school management team operates  
 7 the innovation network school:

8 (1) the school management team may use the eligible school  
 9 building, the accompanying real property, and the building's  
 10 contents, equipment, and supplies, as provided in the  
 11 agreement established in section 2 of this chapter; and

12 (2) the school corporation may continue to:

13 (A) provide transportation for students attending the  
 14 innovation network school at the same level of service the  
 15 school corporation provided before the eligible school  
 16 became an innovation network school; and

17 (B) maintain and repair the buildings and grounds  
 18 consistent with the maintenance and repair to the school  
 19 corporation's other buildings and grounds.

20 (b) If the school management team contracts with a school  
 21 corporation for goods or services, the school corporation may not  
 22 charge the school management team more for the goods or services  
 23 than the school corporation pays for the goods or services.

24 **Sec. 4. (a)** The school management team shall have full  
 25 operational autonomy to run the innovation network school as  
 26 provided in the agreement described in section 2 of this chapter.

27 (b) A school management team that operates an innovation  
 28 network school under this chapter shall make all personnel  
 29 decisions in the innovation network school. In operating the eligible  
 30 school as an innovation network school under this chapter, the  
 31 school management team is not bound by a contract entered into  
 32 by the board under IC 20-29. Employees of a school management  
 33 team may organize and collectively bargain under IC 20-29.

34 (c) Individuals employed by the innovation network school are  
 35 entitled to participate in either:

36 (1) the state teachers' retirement fund created by IC 5-10.4;  
 37 or

38 (2) the public employees' retirement fund created by  
 39 IC 5-10.3.

40 **Sec. 5. (a)** Except as provided in subsections (b) and (c), the  
 41 following do not apply to an innovation network school:

42 (1) An Indiana statute applicable to a governing body or



- 1 school corporation.
- 2 (2) A rule or guideline adopted by the state board.
- 3 (3) A rule or guideline adopted by the state board concerning
- 4 teachers, except for those rules that assist a teacher in gaining
- 5 or renewing a standard or advanced license.
- 6 (4) A local regulation or policy adopted by a school
- 7 corporation unless specifically incorporated in the agreement
- 8 described in section 2 of this chapter.
- 9 (b) IC 20-24-8-5 applies to an innovation network school.
- 10 (c) IC 20-30 applies to an innovation network school.
- 11 (d) Except as otherwise provided in this chapter, IC 20-24-6
- 12 applies to an innovation network school.
- 13 Sec. 6. Any student who lives in the attendance area served by
- 14 a school that is operated as an innovation network school under
- 15 this chapter may attend the innovation network school. The
- 16 innovation network school may not refuse enrollment to a student
- 17 who lives in the attendance area.
- 18 Sec. 7. The school management team and the board shall hold
- 19 a joint public meeting at least two (2) times each year to discuss
- 20 issues and progress concerning the innovation network school.



## COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1321, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 4, delete "PORTFOLIO" and insert "**INNOVATION NETWORK**".

Page 2, line 5, delete ""portfolio" and insert ""**innovation network**".

Page 2, line 6, after "team." insert "**The term includes a charter school.**".

Page 2, line 10, delete "Portfolio" and insert "**Innovation Network**".

Page 2, line 11, delete "A portfolio" and insert "**An innovation network**".

Page 2, line 23, delete "a portfolio" and insert "**an innovation network**".

Page 2, line 23, delete "The term of the agreement may not be".

Page 2, delete line 24.

Page 2, line 26, delete "portfolio" and insert "**innovation network**".

Page 2, line 30, delete "portfolio" and insert "**innovation network**".

Page 2, line 33, delete "511 IAC 6.2-6-5.8, as it existed on January 1, 2014." and insert "**rules adopted by the state board.**".

Page 2, line 34, delete "portfolio" and insert "**innovation network**".

Page 2, line 34, delete "all".

Page 2, line 35, after "support," insert "**as determined in the agreement.**".

Page 2, delete lines 36 through 37.

Page 3, line 5, delete "portfolio" and insert "**innovation network**".

Page 3, line 7, delete "511 IAC 6.2-6-5.8, as it existed on" and insert "**rules adopted by the state board.**".

Page 3, delete line 8.

Page 3, line 9, delete "The portfolio school" and insert "**An innovation network school that is an eligible school described under IC 20-25.5-2-2(1).**".

Page 3, line 11, delete "portfolio" and insert "**innovation network**".

Page 3, line 17, delete "portfolio" and insert "**innovation network**".

Page 3, line 19, delete "portfolio" and insert "**innovation network**".

Page 3, line 20, delete "shall continue to" and insert "**may**".

Page 3, line 22, delete "supplies;" and insert "**supplies, as provided in the agreement established in section 2 of this chapter;**".

Page 3, line 25, delete "portfolio" and insert "**innovation network**".



Page 3, line 26, delete "a".

Page 3, line 27, delete "portfolio" and insert **"an innovation network"**.

Page 3, delete lines 31 through 32.

Page 3, line 38, delete "portfolio" and insert **"innovation network"**.

Page 3, line 40, delete "a portfolio" and insert **"an innovation network"**.

Page 3, line 42, before "school." delete "portfolio" and insert **"innovation network"**.

Page 3, line 42, delete "a portfolio" and insert **"an innovation network"**.

Page 4, line 6, delete "a portfolio" and insert **"an innovation network"**.

Page 4, line 16, delete "a portfolio" and insert **"an innovation network"**.

Page 4, line 18, delete "a portfolio" and insert **"an innovation network"**.

Page 4, line 19, delete "portfolio school. The portfolio" and insert **"innovation network school. The innovation network"**.

Page 4, line 23, delete "portfolio" and insert **"innovation network"**.

and when so amended that said bill do pass.

(Reference is to HB 1321 as introduced.)

BEHNING, Chair

Committee Vote: yeas 9, nays 4.





## HOUSE MOTION

Mr. Speaker: I move that House Bill 1321 be amended to read as follows:

Page 2, line 22, delete "Subject to section 3 of this chapter, the" and insert "**The**".

Page 3, delete lines 8 through 18.

Page 3, line 19, delete "4." and insert "**3.**".

Page 3, line 37, delete "5." and insert "**4.**".

Page 4, line 5, delete "6." and insert "**5.**".

Page 4, line 17, delete "7." and insert "**6.**".

Page 4, line 22, delete "8." and insert "**7.**".

(Reference is to HB 1321 as printed January 27, 2014.)

HUSTON

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1321 be amended to read as follows:

Page 4, line 2, after "into" insert "**by the board**".

Page 4, line 3, delete "not".

Page 4, line 4, delete "IC 20-29-6." and insert "**IC 20-29.**".

(Reference is to HB 1321 as printed January 27, 2014.)

HUSTON



HOUSE MOTION

Mr. Speaker: I move that House Bill 1321 be amended to read as follows:

Page 4, between lines 4 and 5, begin a new paragraph and insert:

**"(c) Individuals employed by the innovation network school are entitled to participate in either:**

**(1) the state teachers' retirement fund created by IC 5-10.4;**

**or**

**(2) the public employees' retirement fund created by IC 5-10.3."**

(Reference is to HB 1321 as printed January 27, 2014.)

HUSTON

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1321 be amended to read as follows:

Page 3, line 25, delete "shall" and insert "**may**".

(Reference is to HB 1321 as printed January 27, 2014.)

SMITH V

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1321 be amended to read as follows:

Page 4, line 5, delete "subsection (b)," and insert "**subsections (b) and (c),**".

Page 4, between lines 16 and 17, begin a new paragraph and insert: "**(c) IC 20-30 applies to an innovation network school.**".

(Reference is to HB 1321 as printed January 27, 2014.)

THOMPSON



## COMMITTEE REPORT

Madam President: The Senate Committee on Education and Career Development, to which was referred House Bill No. 1321, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, line 6, delete "The term".

Page 2, delete line 7.

Page 2, line 8, delete "a" and insert "**an**".

Page 2, line 9, delete "not-for-profit".

Page 4, between lines 11 and 12, begin a new paragraph and insert:

**"(d) Except as otherwise provided in this chapter, IC 20-24-6 applies to an innovation network school."**

and when so amended that said bill do pass.

(Reference is to HB 1321 as reprinted January 30, 2014.)

KRUSE, Chairperson

Committee Vote: Yeas 8, Nays 3.

