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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.

HOUSE ENROLLED ACT No. 1321

AN ACT to amend the Indiana Code concerning education.

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

SECTION 1. IC 20-25.5 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

ARTICLE 25.5. INNOVATION NETWORK SCHOOLS

Chapter 1. Findings

Sec. 1. The general assembly finds the following:

- (1) The Indianapolis Public Schools face challenges due to:**
 - (A) decades of declining enrollment that have resulted in significantly underutilized school buildings, unsustainable operating and maintenance costs, and steep reductions in revenue;**
 - (B) competition with an unusually large number of charter schools that are located within Indianapolis Public School boundaries as a result of legislation that granted the mayor of Indianapolis the unique authority to open charter schools and provided financial incentives for charter schools to locate within Indianapolis Public School boundaries;**
 - (C) an unusually high percentage of chronically low-performing schools, including four (4) schools that are under state intervention; and**
 - (D) a large number of newly built or recently renovated**



school buildings that are owned by the building corporation and serve as security for four (4) different bond issues.

(2) A unique approach is necessary to allow the Indianapolis Public Schools:

(A) to use existing underutilized facilities to open new, innovative, and autonomous schools either independently or in collaboration with school leaders or operators of high performing charter schools;

(B) to offer more high-quality educational options to the students served by Indianapolis Public Schools; and

(C) to produce improved academic performance and better serve all of the community stakeholders.

Chapter 2. Applicability

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

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

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

Chapter 3. Definitions

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

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

(1) has been in the lowest two (2) categories of school improvement for the last three (3) consecutive school years; or

(2) was operated by the school corporation as an innovation network (iNetwork) school before January 1, 2014.

Sec. 3. As used in this article, "innovation network school" is a school operated by a school management team under this article.

Sec. 4. As used in this article, "participating innovation network charter school" means a charter school whose organizer enters into an agreement under IC 20-25.5-5 to have the charter school participate as an innovation network school.

Sec. 5. As used in this article, "school management team" means an entity responsible for the operations of an innovation network school within a school corporation.

Chapter 4. Establishment of Innovation Network Schools

Sec. 1. An innovation network school is subject to all federal and state laws and constitutional provisions that prohibit



discrimination on the basis of the following:

- (1) Disability.**
- (2) Race.**
- (3) Color.**
- (4) Gender.**
- (5) National origin.**
- (6) Religion.**
- (7) Ancestry.**

Sec. 2. (a) The board may enter into an agreement with a school management team to:

- (1) except as provided in this subsection, establish an innovation network school within a vacant, underutilized, or underenrolled school building, as determined by the board; or**
- (2) reconstitute an eligible school as an innovation network school.**

The board may not establish an innovation network school in the same building as a school described in subdivision (1) if the school was in the highest two (2) categories of school improvement in the most recent school year.

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

- (1) A statement that the innovation network school is considered to be part of the school corporation and not considered a separate local educational agency.**
- (2) A statement that the school management team authorizes the department to include the innovation network school's performance assessment results under IC 20-31-8 when calculating the school corporation's performance assessment under rules adopted by the state board.**
- (3) The amount of state and federal funding, including tuition support, that will be distributed by the school corporation to the innovation network school.**
- (4) The performance goals and accountability metrics agreed upon for the innovation network school.**
- (5) Grounds for termination of the agreement, including the right of termination if the school management team fails to:**
 - (A) comply with the conditions or procedures established in the agreement;**
 - (B) meet generally accepted fiscal management and government accounting principles;**
 - (C) comply with applicable laws; or**
 - (D) meet the educational goals set forth in the agreement between the board and the school management team.**



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

(d) Upon receipt of the notification under subsection (c), the department shall, for school years starting after the date of the agreement:

(1) include the innovation network school's performance assessment results under IC 20-31-8 when calculating the school corporation's performance assessment under rules adopted by the state board; and

(2) treat the innovation network school in the same manner as a school operated by the school corporation when calculating the total amount of state and federal funding to be distributed to the school corporation.

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

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

(2) the school corporation may:

(A) provide transportation for students attending the innovation network school; and

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

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

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

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

(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.

Sec. 5. (a) Except as otherwise provided in this article, the following do not apply to an innovation network school:

- (1) An Indiana statute applicable to a governing body or school corporation.
- (2) A rule or guideline adopted by the state board.
- (3) A rule or guideline adopted by the state board concerning teachers, except for those rules that assist a teacher in gaining or renewing a standard or advanced license.
- (4) A local regulation or policy adopted by a school corporation unless specifically incorporated in the agreement described in section 2 of this chapter.

(b) Except as otherwise provided in this article, the following statutes apply to an innovation network school:

- (1) IC 20-24-8-5 (statutes applicable to charter schools).
- (2) IC 20-30 (curriculum).
- (3) IC 20-24-6 (employment of teachers and other personnel in charter schools).
- (4) IC 20-28-11.5 (staff performance evaluations).

Sec. 6. Any student who lives in the attendance area served by a school that is operated as an innovation network school under this chapter may attend the innovation network school. The innovation network school may not refuse enrollment to a student who lives in the attendance area.

Sec. 7. The school management team and the board shall hold a joint public meeting at least two (2) times each year to discuss issues and progress concerning the innovation network school.

Sec. 8. The board shall develop a program to provide support to teachers and administrators who wish to establish an innovation network school.

Sec. 9. During the initial year of implementation of this article by the board, the maximum number of eligible schools that may be reconstituted as innovation network schools may not exceed ten percent (10%) of the total number of schools operated by the school corporation.

Chapter 5. Participation of Charter School as an Innovation Network School

Sec. 1. Except as expressly provided in this article, a



participating innovation network charter school remains subject to all state laws that govern charter schools.

Sec. 2. (a) Notwithstanding IC 20-26-7-1, the board may enter into an agreement with an organizer to establish a participating innovation network charter school within a vacant, underutilized, or underenrolled school building, as determined by the board.

(b) The terms of the agreement entered into between the board and an organizer shall specify the following:

(1) A statement that the organizer authorizes the department to include the charter school's performance assessment results under IC 20-31-8 when calculating the school corporation's performance assessment under rules adopted by the state board.

(2) The amount of state funding, including tuition support, that will be distributed by the school corporation to the organizer.

(3) The performance goals and accountability metrics agreed upon for the charter school in the charter agreement between the organizer and the authorizer.

(c) If an organizer and the board enter into an agreement under subsection (a), the organizer and the board shall notify the department that the agreement has been made under this section within thirty (30) days after the agreement is entered into.

(d) Upon receipt of the notification under subsection (c), the department shall, for school years starting after the date of the agreement:

(1) include the participating innovation network charter school's performance assessment results under IC 20-31-8 when calculating the school corporation's performance assessment under rules adopted by the state board; and

(2) treat the participating innovation network charter school in the same manner as a school operated by the school corporation when calculating the total amount of state funding to be distributed to the school corporation.

Sec. 3. (a) For as long as the charter school remains a participating innovation network charter school, the school corporation may:

(1) provide transportation for students attending the participating innovation network charter school; and

(2) maintain and repair the buildings and grounds used by the participating innovation network charter school consistent with the maintenance and repair to the school corporation's



other buildings and grounds.

(b) If an organizer contracts with a school corporation for goods or services, the school corporation may not charge the organizer more for the goods or services than the school corporation pays for the goods or services.

Sec. 4. An employee of a school corporation who provides services to a participating innovation network charter school under this article remains an employee of the school corporation.

SECTION 2. An emergency is declared for this act.



Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Governor of the State of Indiana

Date: _____ Time: _____

