

# HOUSE BILL No. 1491

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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. Terminates the Gary Community School Corporation's (school corporation) status as a distressed political subdivision on June 30, 2024. Provides that the members of the governing body of the school corporation shall be elected at the municipal general election held on November 7, 2023, and take office upon taking the oath required by the Constitution of the State of Indiana not later than November 14, 2023. Requires the governing body to select a superintendent not later than February 1, 2024. Requires the emergency manager and chief financial officer to consistently inform the superintendent of the school corporation regarding the day to day operations of the school corporation. Requires the emergency manager to provide monthly financial and academic reports to the governing body. Provides that the current emergency manager's appointment terminates on June 30, 2024. Provides that the elected governing body assumes all powers, rights, duties, and obligations of the school corporation on July 1, 2024. Provides that, before the governing body sells real property, a building, or another structure owned by the school corporation, the governing body shall: (1) provide written notice to the mayor of the city of Gary at least 30 days before selling the real property, building, or other structure; and (2) provide public notice and hold at least one public hearing within the geographic boundaries of the school corporation to hear public testimony on the proposed sale. Transfers, not later than July 1, 2023, to the common school fund from the state general fund an amount sufficient to pay off all debts from advances and loans that were made to the school corporation from the common school fund. Removes or repeals provisions regarding the establishment and use of a school improvement fund.

**Effective:** Upon passage; July 1, 2023.

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## Smith V

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January 17, 2023, read first time and referred to Committee on Education.

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First Regular Session of the 123rd General Assembly (2023)

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. 1491

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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 UPON PASSAGE]: Sec. 1.5. (a) Whenever any state governmental  
4 official or employee, whether elected or appointed, is made a party to  
5 a suit, and the attorney general determines that said suit has arisen out  
6 of an act which such official or employee in good faith believed to be  
7 within the scope of the official's or employee's duties as prescribed by  
8 statute or duly adopted regulation, the attorney general shall defend  
9 such 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. **This**  
24 **subsection expires November 8, 2023.**

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

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

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

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

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



1 SECTION 2. IC 5-9-4-7, AS AMENDED BY P.L.2-2014,  
 2 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 3 UPON PASSAGE]: Sec. 7. (a) Except as provided in subsection (b) or  
 4 (c), an officeholder who elects to take the leave of absence described  
 5 in section 6 of this chapter shall give written notice that the  
 6 officeholder is taking a leave of absence for military service to the  
 7 person or entity designated in IC 5-8-3.5-1 to receive a resignation for  
 8 the office the officeholder holds.

9 (b) An officeholder who is:

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

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

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

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

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

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

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

25 (B) the national guard; and

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

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

34 (1) IC 3-13-4;

35 (2) IC 3-13-5;

36 (3) IC 3-13-6;

37 (4) IC 3-13-7;

38 (5) IC 3-13-8;

39 (6) IC 3-13-9;

40 (7) IC 3-13-10;

41 (8) IC 3-13-11;

42 (9) IC 20-23-4;



- 1 (10) IC 20-26;  
 2 (11) IC 20-23-12 **(before its expiration);**  
 3 **(12) IC 20-23-12.1;**  
 4 ~~(12)~~ **(13)** IC 20-23-14;  
 5 ~~(13)~~ **(14)** IC 20-23-15;  
 6 ~~(14)~~ **(15)** IC 20-23-17;  
 7 ~~(15)~~ **(16)** IC 20-23-17.2;  
 8 ~~(16)~~ **(17)** IC 20-25-3;  
 9 ~~(17)~~ **(18)** IC 20-25-4; or  
 10 ~~(18)~~ **(19)** IC 20-25-5;
- 11 in the same manner as a vacancy created by a resignation is filled. A  
 12 temporary appointment may be made in accordance with the applicable  
 13 statute after the written notice required under section 7 of this chapter  
 14 has been filed.
- 15 (b) For an officeholder who:  
 16 (1) is:  
 17 (A) a justice of the supreme court, a judge of the court of  
 18 appeals, or a judge of the tax court; or  
 19 (B) a judge of a circuit, city, probate, or superior court; and  
 20 (2) is taking a leave of absence under this chapter;  
 21 the supreme court shall appoint a judge pro tempore to fill the  
 22 officeholder's office in accordance with the court's rules and  
 23 procedures.
- 24 (c) The person selected or appointed under subsection (a) or (b)  
 25 serves until the earlier of:  
 26 (1) the date the officeholder's leave of absence ends as provided  
 27 in section 10 of this chapter; or  
 28 (2) the officeholder's term of office expires.
- 29 (d) The person selected or appointed to an office under subsection  
 30 (a) or (b):  
 31 (1) assumes all the rights and duties of; and  
 32 (2) is entitled to the compensation established for;  
 33 the office for the period of the temporary appointment.
- 34 SECTION 4. IC 6-1.1-20.3-6.8, AS AMENDED BY P.L.43-2021,  
 35 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 36 UPON PASSAGE]: Sec. 6.8. (a) This section applies only to the Gary  
 37 Community School Corporation.
- 38 (b) The general assembly finds that the provisions of this section:  
 39 (1) are necessary to address the unique issues faced by the Gary  
 40 Community School Corporation; and  
 41 (2) are not precedent for and may not be appropriate for  
 42 addressing issues faced by other school corporations.



1 (c) As used in this section, the following definitions apply:

2 (1) "Chief academic officer" means the chief academic officer  
3 appointed under subsection ~~(j)~~: **(k)**.

4 (2) "Chief financial officer" means the chief financial officer  
5 appointed under subsection (i).

6 (3) "School corporation" refers to the Gary Community School  
7 Corporation.

8 (d) The Gary Community School Corporation is designated as a  
9 distressed political subdivision for purposes of this chapter until the  
10 school corporation's designation as a distressed political subdivision is  
11 terminated ~~as provided in section 13(b) of this chapter~~: **on June 30,**  
12 **2024**. This designation as a distressed political subdivision is effective  
13 regardless of whether the school corporation has submitted a petition  
14 requesting to be designated as a distressed political subdivision. ~~Until~~  
15 ~~the school corporation's designation as a distressed political~~  
16 ~~subdivision is terminated as provided in section 13(b) of this chapter~~;  
17 The Gary Community School Corporation advisory board (**before its**  
18 **expiration**) may not hold a public meeting more often than once every  
19 three (3) months. This limit on the number of meetings of the advisory  
20 board does not apply to the emergency manager. The emergency  
21 manager shall hold a monthly forum to provide an update on the Gary  
22 Community School Corporation within the school district that is open  
23 to the general public. ~~During the period that the Gary Community~~  
24 ~~School Corporation is designated as a distressed political subdivision~~;  
25 **Until November 8, 2023**, the advisory board may vote to:

26 (1) fill vacancies;

27 (2) select officers; or

28 (3) make appointments;

29 of the advisory board, and to present awards, recognition, and  
30 certificates to employees or supporters of the school corporation.

31 (e) ~~Until the school corporation's designation as a distressed~~  
32 ~~political subdivision is terminated as provided in section 13(b) of this~~  
33 ~~chapter~~, **June 30, 2024**, the following apply to the emergency manager  
34 appointed under section 7.5 of this chapter for the school corporation:

35 (1) The emergency manager has the powers and duties specified  
36 in this chapter.

37 (2) The emergency manager shall consider recommendations  
38 from the fiscal management board (**before its expiration**) and the  
39 advisory board (**before its expiration**), but the emergency  
40 manager has full responsibility and authority related to financial  
41 and academic matters of the school corporation. ~~and the~~  
42 ~~emergency manager may act, as specified in this chapter, on these~~



1 financial and academic matters without the approval of the fiscal  
2 management board or the advisory board:

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) and ~~(j)~~; **(k)**, pay the emergency  
8 manager's, chief financial officer's, and chief academic  
9 officer's compensation and reimburse the emergency manager,  
10 chief financial officer, and chief academic officer for actual  
11 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 **(5) The emergency manager shall do the following:**

21 **(A) After January 31, 2024, consistently inform the**  
22 **superintendent of the school corporation regarding the day**  
23 **to day operations of the school corporation.**

24 **(B) After November 7, 2023, provide monthly reports to**  
25 **the governing body of the school corporation regarding**  
26 **academic and financial matters of the school corporation.**

27 The appointment of the emergency manager for the school corporation  
28 is terminated on ~~the date the school corporation's designation as a~~  
29 ~~distressed political subdivision is terminated as provided in section~~  
30 ~~13(b) of this chapter: **June 30, 2024. The distressed unit appeal**~~  
31 **board shall not renew or enter into a new contract under this**  
32 **subsection with an emergency manager.**

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

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

41 (2) The distressed unit appeal board may recommend to the state  
42 board of finance that the state board of finance make an interest



- 1 free loan to the school corporation from the common school fund.  
 2 The distressed unit appeal board shall determine the payment  
 3 schedule and the commencement date for the loan. If the  
 4 distressed unit appeal board makes a recommendation that such  
 5 a loan be made, the state board of finance may, notwithstanding  
 6 IC 20-49, make such a loan for a term of not more than ten (10)  
 7 years.
- 8 (3) The distressed unit appeal board may establish benchmarks of  
 9 financial improvement for the school corporation.
- 10 (4) The distressed unit appeal board may provide a grant or grants  
 11 to the school corporation from funds appropriated to the  
 12 distressed unit appeal board, in amounts determined by the  
 13 distressed unit appeal board, to assist the school corporation in  
 14 overcoming short term financial problems.
- 15 (5) The distressed unit appeal board may make a recommendation  
 16 to the general assembly concerning the possible restructuring of  
 17 advances made to the school corporation from the common school  
 18 fund, including forgiveness of principal and interest on those  
 19 advances.
- 20 (g) The fiscal management board is established. The fiscal  
 21 management board consists of the following members:
- 22 (1) One (1) member appointed by the advisory board.  
 23 (2) One (1) member appointed by the mayor of the city of Gary.  
 24 (3) One (1) member, who must have experience working with or  
 25 for an urban school corporation, appointed by the secretary of  
 26 education.  
 27 (4) One (1) member, who must have experience working with or  
 28 for an urban school corporation, appointed by the state board of  
 29 education.
- 30 **This subsection expires November 8, 2023.**
- 31 (h) The following apply to the fiscal management board and to the  
 32 members of the fiscal management board:
- 33 (1) The term of office of a member of the fiscal management  
 34 board is four (4) years, beginning on the date of appointment. A  
 35 member of the fiscal management board may be reappointed to  
 36 the fiscal management board. A member of the fiscal  
 37 management board may be removed for cause by the appointing  
 38 authority.
- 39 (2) A member of the fiscal management board must have the  
 40 following:
- 41 (A) At least three (3) years experience in financial  
 42 management.





- 1 (B) A meaningful background and work experience in finance  
 2 and business.  
 3 (C) An understanding of government contracts.  
 4 (D) Knowledge and experience in organizational effectiveness,  
 5 operations management, and implementing best practices.  
 6 (E) Experience in budget development and oversight.  
 7 (F) A demonstrated commitment to high professional and  
 8 ethical standards and a diverse workplace.  
 9 (G) An understanding of tax and other compliance  
 10 implications.
- 11 (3) A member of the advisory board may not serve as a member  
 12 of the fiscal management board.
- 13 (4) The fiscal management board:  
 14 (A) shall make recommendations to the emergency manager;  
 15 and  
 16 (B) shall advise the emergency manager as requested by the  
 17 emergency manager.
- 18 (5) The members of the fiscal management board are not entitled  
 19 to any compensation for their service on the fiscal management  
 20 board.
- 21 (6) The fiscal management board is abolished, and the terms of  
 22 the members of the fiscal management board are terminated, on  
 23 the date the school corporation's designation as a distressed  
 24 political subdivision is terminated as provided in ~~section 13(b) of~~  
 25 ~~this chapter.~~ **this section.**
- 26 (7) Under the supervision of the emergency manager, the fiscal  
 27 management board shall serve as a liaison to and shall work  
 28 jointly with the distressed unit appeal board, the mayor of the city  
 29 of Gary, and the department of education to develop a transition  
 30 plan to address issues or questions related to:  
 31 (A) the designation of the school corporation as a distressed  
 32 political subdivision and the transfer of powers and duties to  
 33 the emergency manager under this chapter; and  
 34 (B) the potential impact of the transition on the community  
 35 and the school corporation.
- 36 (8) Under the supervision of the emergency manager, the fiscal  
 37 management board shall work jointly with the distressed unit  
 38 appeal board, the mayor of the city of Gary, and the department  
 39 of education to provide information on a regular basis to parents,  
 40 students, employees of the school corporation, and the public on  
 41 the status of the transition.

42 **This subsection expires November 8, 2023.**



1 (i) The emergency manager shall employ a chief financial officer for  
 2 the school corporation. The chief financial officer is an employee of the  
 3 school corporation. The chief financial officer shall report to the  
 4 emergency manager and shall assist the emergency manager appointed  
 5 for the school corporation and the fiscal management board in carrying  
 6 out the day to day financial operations of the school corporation. ~~Before~~  
 7 ~~July 1, 2019, the compensation of the chief financial officer shall be~~  
 8 ~~determined by the distressed unit appeal board. Before July 1, 2019, the~~  
 9 ~~compensation of the chief financial officer shall be paid from the funds~~  
 10 ~~appropriated to the distressed unit appeal board.~~ After June 30, 2019,  
 11 the compensation of the chief financial officer shall be determined by  
 12 and paid by the school corporation. The chief financial officer:

- 13 (1) must possess, through both education and experience, an  
 14 understanding of finance and financial management; and  
 15 (2) must possess any other experience and must meet any other  
 16 requirements as required by the distressed unit appeal board to  
 17 ensure that the chief financial officer is qualified to carry out the  
 18 financial restructuring of the school corporation.

19 Before employing a chief financial officer under this subsection, the  
 20 emergency manager shall interview at least one (1) resident of the city  
 21 of Gary as a candidate for the position. If the emergency manager is not  
 22 able to interview a resident of the city of Gary as a candidate for the  
 23 position, the emergency manager shall interview at least one (1)  
 24 individual who is a resident of Lake County or northwest Indiana as a  
 25 candidate for the position.

26 **(j) After January 31, 2024, the chief financial officer employed**  
 27 **under subsection (i) shall consistently inform the superintendent of**  
 28 **the school corporation regarding the day to day operations of the**  
 29 **school corporation.**

30 ~~(j)~~ **(k)** The emergency manager shall employ a chief academic  
 31 officer for the school corporation, after consultation with the  
 32 department of education, who must have experience working with or  
 33 for an urban school corporation. The chief academic officer is an  
 34 employee of the school corporation. The chief academic officer shall  
 35 report to the emergency manager and shall assist the emergency  
 36 manager appointed for the school corporation and the fiscal  
 37 management board **(before its expiration)** in carrying out the  
 38 academic matters of the school corporation. ~~Before July 1, 2019, the~~  
 39 ~~compensation of the chief academic officer shall be determined by the~~  
 40 ~~distressed unit appeal board. Before July 1, 2019, the compensation of~~  
 41 ~~the chief academic officer shall be paid from the funds appropriated to~~  
 42 ~~the distressed unit appeal board.~~ After June 30, 2019, the compensation



1 of the chief academic officer shall be determined by and paid by the  
2 school corporation. The chief academic officer must:

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

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

18 ~~(k)~~ **(l)** The chief financial officer and chief academic officer shall  
19 assist the emergency manager in carrying out the emergency manager's  
20 duties under this chapter.

21 ~~(h)~~ **(m)** The annual budget adopted by the emergency manager for  
22 the school corporation must dedicate a significant part of the school  
23 corporation's budget to eliminating the school corporation's outstanding  
24 financial obligations. The emergency manager shall attempt to  
25 negotiate with the creditors of the school corporation to establish a plan  
26 specifying the schedule for paying each creditor. The emergency  
27 manager shall submit the plan to the distressed unit appeal board for  
28 approval. The distressed unit appeal board must:

- 29 (1) review the plan submitted by the emergency manager; and  
30 (2) not later than sixty (60) days after the plan is submitted,  
31 either:  
32 (A) approve the plan as submitted by the emergency manager;  
33 or  
34 (B) modify the plan as submitted by the emergency manager  
35 and then approve the modified plan.

36 ~~(m)~~ **(n)** The emergency manager shall consider any  
37 recommendations from the **following:**

- 38 **(1) The** fiscal management board, the advisory board, and the  
39 mayor of the city of Gary in developing the school corporation's  
40 ~~annual~~ **budget for the 2023-2024 state fiscal year.**  
41 **(2) Beginning with the budget for the 2024-2025 state fiscal**  
42 **year, the governing body of the school corporation, the**



1           **superintendent of the school corporation, and the mayor of**  
 2           **the city of Gary in developing the school corporation's annual**  
 3           **budget.**

4           The distressed unit appeal board must review and approve the school  
 5           corporation's annual budget that is proposed by the emergency  
 6           manager. When the emergency manager submits the school  
 7           corporation's proposed annual budget to the distressed unit appeal  
 8           board, the emergency manager shall provide copies of the proposed  
 9           annual budget to the fiscal management board **(before its expiration)**  
 10          and the advisory board **(before its expiration)**.

11          ~~(n)~~ **(o)** After considering any recommendations ~~from the fiscal~~  
 12          ~~management board, the advisory board, and the mayor of the city of~~  
 13          **Gary, as described in subsection (n),** the emergency manager shall do  
 14          the following:

15               (1) Conduct a financial and compliance audit of the operations of  
 16               the school corporation.

17               (2) Develop a written financial plan for the school corporation.  
 18               The object of the plan must be to achieve financial stability for  
 19               the school corporation, and the plan must include provisions for  
 20               paying all of the school corporation's outstanding obligations and  
 21               for paying all future obligations of the school corporation  
 22               (including any federal, state, or local taxes or assessments) in a  
 23               timely manner.

24          ~~(o)~~ **(p)** In addition to the report required by section 8.5(c)(5) of this  
 25          chapter, the emergency manager, the chief financial officer, and the  
 26          chief academic officer shall report quarterly to the distressed unit  
 27          appeal board in a format specified by the distressed unit appeal board.  
 28          The report must include:

29               (1) information concerning the actions that the school corporation  
 30               is taking to improve the financial condition of the school  
 31               corporation; and

32               (2) any other information required by the distressed unit appeal  
 33               board.

34          The emergency manager shall report more frequently than quarterly if  
 35          requested by the distressed unit appeal board.

36          **(q)** The emergency manager shall provide copies of the report to **the**  
 37          **following:**

38               **(1) Before November 7, 2023,** the fiscal management board, the  
 39               advisory board, and the mayor of the city of Gary.

40               **(2) After November 7, 2023, the governing body of the school**  
 41               **corporation, the superintendent of the school corporation**  
 42               **after the superintendent is selected, and the mayor of the city**



- 1           **of Gary.**  
 2           The emergency manager shall present each report at a public meeting.  
 3           ~~of the fiscal management board.~~  
 4           ~~(p)~~ **(r)** The school corporation shall do the following:  
 5           (1) Publish a copy of each report under subsection ~~(p)~~ **(p)** on the  
 6           school corporation's ~~Internet web site~~, **website**, along with a link  
 7           to the main page of the Indiana transparency ~~Internet web site~~  
 8           **website** established under IC 5-14-3.7 to provide access to  
 9           financial data for local schools.  
 10          (2) Make copies of each report available free of charge to the  
 11          public upon request.  
 12          (3) Provide copies of each report to the mayor of the city of Gary.  
 13          The mayor shall make copies of the reports available free of  
 14          charge to the public upon request.  
 15          ~~(q)~~ **(s)** The chief academic officer shall develop an education plan  
 16          to provide academic services to students in the school corporation and  
 17          to achieve academic progress. The education plan must include at least  
 18          the following components:  
 19          (1) An academic program designed to meet Indiana's academic  
 20          standards and to assist students in meeting those academic  
 21          standards.  
 22          (2) A plan to improve the academic performance of all students,  
 23          including improvement in the performance of students on  
 24          standardized tests.  
 25          (3) A plan to engage parents in school performance and school  
 26          activities, including regular meetings at each school involving  
 27          administrators, teachers, parents, and interested members of the  
 28          community.  
 29          (4) A plan to implement performance standards that will attract  
 30          students and families to the school corporation.  
 31          (5) A plan specifying how the school corporation will work  
 32          directly with the city of Gary:  
 33                  (A) to make the schools a successful component of life within  
 34                  the city; and  
 35                  (B) to develop a sense of pride and progress in the operations  
 36                  and accomplishments of the school corporation.  
 37          **Until November 8, 2023**, the chief financial officer and the chief  
 38          academic officer shall submit a report to the advisory board each  
 39          quarter. The chief financial officer and chief academic officer shall  
 40          meet at least quarterly with the executive committee of the bargaining  
 41          unit to inform the executive committee of the academic progress of the  
 42          school corporation.



1           **(t) This section expires July 1, 2024.**

2           SECTION 5. IC 6-1.1-20.3-17 IS REPEALED [EFFECTIVE JULY  
3 1, 2023]. Sec. 17: (a) If the distressed unit appeal board delays or  
4 suspends, for a period determined by the board, any payments on loans  
5 or advances from the common school fund under section 6.8 of this  
6 chapter, the distressed unit appeal board may recommend to the state  
7 board of finance that the term of the loans or advances be extended. If  
8 the distressed unit appeal board makes a recommendation to extend the  
9 term of the loan or advances, the state board of finance may extend the  
10 term of the loans or advances for a period of time that is equal to or less  
11 than the number of months for which the payments are delayed or  
12 suspended:

13           (b) If payments on loans or advances from the common school fund  
14 are suspended under section 6.8 of this chapter, the distressed unit  
15 appeal board shall require that the school corporation:

16           (1) establish a school improvement fund; and

17           (2) transfer to the school improvement fund an amount equal to  
18 the payments that are delayed or suspended for calendar year  
19 2020:

20           (c) A school improvement fund established under subsection (b)(1)  
21 may be used only for the following purposes:

22           (1) Repair, renovation, or other improvements to school buildings  
23 and property being used for education purposes as of July 1, 2020.

24           (2) Demolition of school buildings or other structures on school  
25 property in existence as of July 1, 2020.

26           (d) All expenditures from a school improvement fund established  
27 under subsection (b)(1) must be approved by the distressed unit appeal  
28 board:

29           (e) A school corporation may, on an annual basis, levy a tax in the  
30 debt service fund equal to the amount that would have been deducted  
31 from the distribution of state tuition support for the payment of loans  
32 made under section 6.8 of this chapter during calendar year 2020 if the  
33 loans had not been suspended. The amount received from a tax under  
34 this subsection must be transferred from the debt service fund to the  
35 education fund:

36           (f) With the approval of the distressed unit appeal board, a school  
37 corporation may spend other funds of the school corporation for the  
38 purposes described in subsection (e) and reimburse the expenditures  
39 from a school improvement fund established under subsection (b)(1):

40           (g) This section expires January 1, 2025.

41           SECTION 6. IC 20-23-8-5, AS AMENDED BY P.L.233-2015,  
42 SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 UPON PASSAGE]: Sec. 5. As used in this chapter, "school  
 2 corporation" means a local public school corporation established under  
 3 the laws of Indiana. The term does not include a school corporation  
 4 covered by IC 20-23-12 (**before its expiration**), **IC 20-23-12.1**,  
 5 IC 20-23-17, or IC 20-23-17.2.

6 SECTION 7. IC 20-23-12-12 IS ADDED TO THE INDIANA  
 7 CODE AS A **NEW SECTION TO READ AS FOLLOWS**  
 8 [EFFECTIVE UPON PASSAGE]: **Sec. 12. This chapter expires**  
 9 **November 8, 2023.**

10 SECTION 8. IC 20-23-12.1 IS ADDED TO THE INDIANA CODE  
 11 AS A **NEW CHAPTER TO READ AS FOLLOWS** [EFFECTIVE  
 12 UPON PASSAGE]:

13 **Chapter 12.1. Election of Governing Body Members of Gary**  
 14 **Community School Corporation**

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

- 16 (1) a school corporation; or
- 17 (2) the governing body of a school corporation;

18 covered by this chapter.

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

21 **Sec. 3. (a) The governing body of the school corporation consists**  
 22 **of seven (7) members elected as follows:**

- 23 (1) On a nonpartisan basis.
- 24 (2) In a general election in the county.

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

- 27 (1) is elected from the school district in which the member  
 28 resides; and
- 29 (2) upon election and in conducting the business of the  
 30 governing body, represents the interests of the entire school  
 31 corporation.

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

- 33 (1) is the at-large member of the governing body;
- 34 (2) may reside in any of the districts drawn under section 4 of  
 35 this chapter; and
- 36 (3) upon election and in conducting the business of the  
 37 governing body, represents the interests of the entire school  
 38 corporation.

39 **Sec. 4. The districts are drawn on the same lines as the common**  
 40 **council districts referred to in IC 36-4-6-3.**

41 **Sec. 5. (a) The six (6) members who are elected for a position on**  
 42 **the governing body described under section 3(b) of this chapter are**



- 1 determined as follows:
- 2 (1) Each prospective candidate must file a nomination petition
- 3 with the board of elections and registration not earlier than
- 4 one hundred four (104) days and not later than noon
- 5 seventy-four (74) days before the election at which the
- 6 members are to be elected that includes the following
- 7 information:
- 8 (A) The name of the prospective candidate.
- 9 (B) The district in which the prospective candidate resides.
- 10 (C) The signatures of at least one hundred (100) registered
- 11 voters residing in the school corporation.
- 12 (D) The fact that the prospective candidate is running for
- 13 a district position.
- 14 (E) A certification that the prospective candidate meets the
- 15 qualifications for candidacy imposed by this chapter.
- 16 (2) Only eligible voters residing in the district may vote for a
- 17 candidate.
- 18 (3) The candidate within each district who receives the
- 19 greatest number of votes in the district is elected.
- 20 (b) The at-large member elected under section 3(c) of this
- 21 chapter is determined as follows:
- 22 (1) Each prospective candidate must file a nomination petition
- 23 with the clerk of the circuit court at least seventy-four (74)
- 24 days before the election at which the at-large member is to be
- 25 elected. The petition must include the following information:
- 26 (A) The name of the prospective candidate.
- 27 (B) The signatures of at least one hundred (100) registered
- 28 voters residing within the school corporation.
- 29 (C) The fact that the prospective candidate is running for
- 30 the at-large position on the governing body.
- 31 (D) A certification that the prospective candidate meets the
- 32 qualifications for candidacy imposed by this chapter.
- 33 (2) Only eligible voters residing in the school corporation may
- 34 vote for a candidate.
- 35 (3) The candidate who:
- 36 (A) runs for the at-large position on the governing body;
- 37 and
- 38 (B) receives the greatest number of votes in the school
- 39 corporation;
- 40 is elected to the at-large position.
- 41 Sec. 6. (a) A candidate who runs for a position on the governing
- 42 body described under section 3(b) of this chapter must reside in the





1 school corporation district for which the candidate filed.

2 (b) A candidate who runs for the at-large position on the  
3 governing body described in section 3(c) of this chapter must reside  
4 in the school corporation.

5 Sec. 7. The state board, with assistance from the county election  
6 board, shall establish:

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

8 (2) all other procedures required to implement this chapter.

9 Sec. 8. (a) The term of each person elected to serve on the  
10 governing body is four (4) years.

11 (b) The term of each person elected to serve on the governing  
12 body begins on the date that the person takes the oath required by  
13 Article 15, Section 4 of the Constitution of the State of Indiana. An  
14 elected member of the governing body shall take the oath described  
15 in this subsection not later than November 14 of the year that the  
16 member is elected.

17 Sec. 9. (a) A vacancy on the governing body is created when:

18 (1) a member:

19 (A) dies;

20 (B) resigns from the governing body;

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

22 (D) fails to attend, except for reason of chronic illness, six

23 (6) regularly scheduled meetings of the board in any twelve  
24 (12) month period; or

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

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

28 (b) The governing body shall temporarily fill a vacancy on the  
29 governing body as soon as practicable after the vacancy occurs. A  
30 member appointed to a vacancy under this subsection serves for  
31 the remainder of the unexpired term.

32 Sec. 10. 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  
35 corporation's governing body;

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

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

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

42 Sec. 11. (a) Notwithstanding section 3(a) of this chapter, the



1 members of the governing body shall be elected at the municipal  
 2 general election held on November 7, 2023, and take office upon  
 3 taking the oath required by Article 15, Section 4 of the Constitution  
 4 of the State of Indiana. An elected member of the governing body  
 5 shall take the oath described in this subsection not later than  
 6 November 14, 2023.

7 (b) The initial terms of the members of the governing body of  
 8 the school corporation elected under this section begin on the date  
 9 that the person takes the oath required by Article 15, Section 4 of  
 10 the Constitution of the State of Indiana.

11 (c) Notwithstanding section 8 of this chapter, the initial terms of  
 12 each member of the governing body elected under this section are  
 13 as follows:

14 (1) The four (4) members elected in an election under  
 15 subsection (a) who received the highest number of votes shall  
 16 serve an initial term of three (3) years.

17 (2) The three (3) members elected in an election under  
 18 subsection (a) who received the fewest number of votes shall  
 19 serve an initial term of one (1) year.

20 (d) Any member of the governing body elected after the initial  
 21 terms under subsection (c) shall serve a four (4) year term.

22 (e) Not later than February 1, 2024, the governing body of the  
 23 school corporation shall select an individual as superintendent of  
 24 the school corporation.

25 (f) On July 1, 2024, the governing body elected in accordance  
 26 with this chapter assumes all powers, rights, duties, and obligations  
 27 of the school corporation as set forth in IC 20-23-4-26.

28 (g) The governing body of the school corporation may, before  
 29 June 30, 2024, engage a third party certified public accountant to  
 30 conduct an independent audit of the school corporation's finances.

31 (h) This section expires January 1, 2028.

32 Sec. 12. (a) The general assembly finds that the provisions of  
 33 this section:

34 (1) are necessary to address the unique issues faced by the  
 35 Gary Community School Corporation; and

36 (2) are not precedent for and may not be appropriate for  
 37 addressing issues faced by other school corporations.

38 (b) Before the governing body of the school corporation sells  
 39 real property, a building, or another structure owned by the school  
 40 corporation, the governing body shall do the following:

41 (1) Provide written notice to the mayor of the city of Gary at  
 42 least thirty (30) days before selling the real property, building,



- 1           **or other structure.**
- 2           **(2) Hold at least one (1) public hearing within the geographic**
- 3           **boundaries of the school corporation to hear public testimony**
- 4           **on the proposed sale.**
- 5           **(3) Provide public notice of the hearing under subdivision (2)**
- 6           **as required under IC 5-14-1.5-5.**

7           SECTION 9. IC 20-29-2-6, AS AMENDED BY P.L.272-2019,  
 8           SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 9           UPON PASSAGE]: Sec. 6. "Deficit financing" for a budget year:

- 10           (1) means, except as provided in subdivision (2), actual
- 11           expenditures exceeding the employer's current year actual
- 12           education fund revenue and, for a school employer for which the
- 13           voters have passed an operating referendum tax levy under
- 14           IC 20-46-1 or a school safety referendum tax levy under
- 15           IC 20-46-9, the amount of revenue certified by the department of
- 16           local government finance; or
- 17           (2) means, in the case of any distressed school corporation, the
- 18           Gary Community School Corporation **until June 30, 2024**, or the
- 19           Muncie Community school corporation, **or any other distressed**
- 20           **school corporation**, actual expenditures plus additional payments
- 21           against any outstanding debt obligations exceeding the employer's
- 22           current year actual education fund revenue, and, for a school
- 23           employer for which the voters have passed an operating
- 24           referendum tax levy under IC 20-46-1 or a school safety
- 25           referendum tax levy under IC 20-46-9, the amount of revenue
- 26           certified by the department of local government finance.

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

30           SECTION 10. [EFFECTIVE UPON PASSAGE] **(a) As used in this**  
 31           **SECTION, "advisory board" refers to the Gary public schools**  
 32           **advisory board created under IC 20-23-12-3.**

33           **(b) The terms of the members of the advisory board expire**  
 34           **November 8, 2023.**

35           **(c) The term of the member appointed to the fiscal management**  
 36           **board under IC 6-1.1-20.3-6.8(g), as amended by this act, expires**  
 37           **November 8, 2023.**

38           **(d) This SECTION expires July 1, 2024.**

39           SECTION 11. [EFFECTIVE UPON PASSAGE] **(a) As used in this**  
 40           **SECTION, "common school fund" refers to the common school**  
 41           **fund in the custody of the treasurer of state.**

42           **(b) There is transferred to the common school fund from the**



1 state general fund not later than July 1, 2023, an amount sufficient  
2 to pay off all debts from advances or loans that were made to the  
3 Gary Community School Corporation from the common school  
4 fund. On the date of the transfer, the loan is considered paid.  
5 (c) Any repayment agreements entered into regarding any  
6 advances or loans from the common school fund to the Gary  
7 Community School Corporation for the advances or loans  
8 described in subsection (b) are fulfilled on the date the advances or  
9 loans are paid off under subsection (b).  
10 (d) This SECTION expires July 1, 2024.  
11 SECTION 12. An emergency is declared for this act.

