HOUSE BILL No. 1514

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-24; IC 20-25; IC 20-25.7-5-5; IC 20-31.

Synopsis: School accountability. Provides that the state board of education (state board) may establish one or more categories to designate school performance. Provides that the state board may use an "A" through "F" grading scale. Provides that, before July 1, 2024, the state board shall establish new standards of measuring high school performance. Repeals provisions that: (1) provide consequences for failing schools; (2) provide consequences for failing charter schools; and (3) authorize the establishment of turnaround academies. Makes conforming and technical amendments.

Effective: Upon passage; July 1, 2021.

Cook, McNamara

January 14, 2021, read first time and referred to Committee on Education.

Introduced

First Regular Session of the 122nd General Assembly (2021)

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 2020 Regular Session of the General Assembly.

HOUSE BILL No. 1514

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

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

SECTION 1. IC 20-24-2.2-2 IS REPEALED [EFFECTIVE JULY 1, 2021]. ~~Sec. 2. (a) The minimum standard for renewal and the standard to avoid closure imposed by authorizers on a charter school is a requirement that the charter school not remain in the lowest category or designation of school improvement, including any alternative accountability category or designation, in the third year after initial placement in the lowest category or designation established under IC 20-31-8-4.~~

~~(b) An authorizer of a charter school that does not meet the minimum standard for charter school renewal described in subsection (a) may petition the state board at any time to request permission to renew the charter school's charter notwithstanding the fact that the charter school does not meet the minimum standard. If timely notification is made, the state board shall hold a hearing under section 2.5 of this chapter to consider the authorizer's request at the state board's next regularly scheduled board meeting.~~

~~(c) In determining whether to grant a request under subsection (b),~~

~~the state board shall consider the following:~~

~~(1) Enrollment of students with special challenges, such as drug or alcohol addiction, prior withdrawal from school, prior incarceration, or other special circumstances.~~

~~(2) High mobility of the student population resulting from the specific purpose of the charter school.~~

~~(3) Annual improvement in the performance of students enrolled in the charter school, as measured under IC 20-31-8, compared with the performance of students enrolled in the charter school in the immediately preceding school year.~~

SECTION 2. IC 20-24-2.2-2.5 IS REPEALED [EFFECTIVE JULY 1, 2021]. ~~Sec. 2.5. (a) If the state board grants a petition request under section 2 of this chapter, the state board shall:~~

~~(1) hold a hearing; and~~

~~(2) implement one (1) or more of the following actions:~~

~~(A) Require the implementation of a charter school improvement plan.~~

~~(B) Order the reduction of any administrative fee collected under IC 20-24-7-4 that is applicable to the charter school. The reduction must become effective at the beginning of the month following the month of the authorizer's hearing before the state board.~~

~~(C) Prohibit or limit the enrollment of new students in the charter school.~~

~~(D) Cancel the charter between the authorizer and organizer.~~

~~(E) Order the closure of the charter school at the end of the current school year.~~

~~A charter school that is closed by the state board under this section may not be granted a charter by any authorizer.~~

~~(b) In determining which action to implement under subsection (a)(2), the state board shall consider the following:~~

~~(1) Enrollment of students with special challenges, such as drug or alcohol addiction, prior withdrawal from school, prior incarceration, or other special circumstances.~~

~~(2) High mobility of the student population resulting from the specific purpose of the charter school.~~

~~(3) Annual improvement in the performance of students enrolled in the charter school, as measured by IC 20-31-8-1, compared with the performance of students enrolled in the charter school in the immediately preceding school year.~~

SECTION 3. IC 20-24-2.2-4 IS REPEALED [EFFECTIVE JULY 1, 2021]. ~~Sec. 4. If any authorizer renews the charter of, fails to close,~~

~~or grants a new charter to a charter school that the state board has ordered closed under section 2.5 of this chapter, the authorizer's authority to authorize new charter schools may be suspended by the state board until such a time as the state board formally approves the authorizer to authorize new charter schools. A determination under this section to suspend an authorizer's authority to authorize new charter schools must identify the deficiencies that, if corrected, will result in the approval of the authorizer to authorize new charter schools.~~

SECTION 4. IC 20-24-2.2-6 IS REPEALED [EFFECTIVE JULY 1, 2021]. ~~Sec. 6. (a) If deficiencies identified under section 4 of this chapter are not corrected within two (2) years after the date the state board suspends the authorizer's authority to authorize new charter schools in a final order under section 4 of this chapter, the state board, following an affirmative vote of two-thirds (2/3) of the members, may revoke the authorizer's authority to function as an authorizer. The state board shall take all necessary steps to decommission the authorizer, including overseeing the orderly winding up of authorization activities or responsibilities, and ensuring the transfer of any charter school records or administrative fees due under IC 20-24-7-4 in the authorizer's custody.~~

~~(b) Charter schools authorized by an authorizer that has been decommissioned under subsection (a) must apply to be approved by another authorizer within one hundred fifty (150) days after the date the state board revokes the authorizer's authority to function as an authorizer, regardless of whether the state board has begun the process of winding up authorization activities of the authorizer. A charter school that is not approved under this subsection must close at the end of the charter school's current school year containing the date in which the charter school's application under this subsection is disapproved. A charter school that is closed by the state board under section 2.5 of this chapter may not be approved by another authorizer under this subsection.~~

SECTION 5. IC 20-24-4-1, AS AMENDED BY P.L.211-2019, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 1. (a) A charter must meet the following requirements:

(1) Be a written instrument.

(2) Be executed by an authorizer and an organizer.

(3) Confer certain rights, franchises, privileges, and obligations on a charter school.

(4) Confirm the status of a charter school as a public school.

(5) Subject to ~~subdivisions~~ **subdivision** (6)(E), ~~and (17),~~ be

granted for:

(A) not less than three (3) years or more than seven (7) years; and

(B) a fixed number of years agreed to by the authorizer and the organizer.

(6) Provide for the following:

(A) A review by the authorizer of the charter school's performance, including the progress of the charter school in achieving the academic goals set forth in the charter, at least one (1) time in each five (5) year period while the charter is in effect.

(B) Renewal, if the authorizer and the organizer agree to renew the charter.

(C) The renewal application must include guidance from the authorizer, and the guidance must include the performance criteria that will guide the authorizer's renewal decisions.

(D) The renewal application process must, at a minimum, provide an opportunity for the charter school to:

(i) present additional evidence, beyond the data contained in the performance report, supporting its case for charter renewal;

(ii) describe improvements undertaken or planned for the charter school; and

(iii) detail the charter school's plans for the next charter term.

(E) Not later than the end of the calendar year in which the charter school seeks renewal of a charter, the governing board of a charter school seeking renewal shall submit a renewal application to the charter authorizer under the renewal application guidance issued by the authorizer. The authorizer shall make a final ruling on the renewal application not later than April 1 after the filing of the renewal application. A renewal granted under this clause is not subject to the three (3) year minimum described in subdivision (5). The April 1 deadline does not apply to any review or appeal of a final ruling. After the final ruling is issued, the charter school may obtain further review by the authorizer of the authorizer's final ruling in accordance with the terms of the charter school's charter and the protocols of the authorizer.

(7) Specify the grounds for the authorizer to:

(A) revoke the charter before the end of the term for which the charter is granted; or

(B) not renew a charter.

(8) Set forth the methods by which the charter school will be held accountable for achieving the educational mission and goals of the charter school, including the following:

(A) Evidence of improvement in:

(i) assessment measures, including the statewide assessment program measures;

(ii) attendance rates;

(iii) graduation rates (if appropriate);

(iv) increased numbers of Indiana diplomas with a Core 40 designation and other college and career ready indicators including advanced placement participation and passage, dual credit participation and passage, and International Baccalaureate participation and passage (if appropriate);

(v) increased numbers of Indiana diplomas with Core 40 with academic honors and technical honors designations (if appropriate);

(vi) student academic growth;

(vii) financial performance and stability; and

(viii) governing board performance and stewardship, including compliance with applicable laws, rules and regulations, and charter terms.

(B) Evidence of progress toward reaching the educational goals set by the organizer.

(9) Describe the method to be used to monitor the charter school's:

(A) compliance with applicable law; and

(B) performance in meeting targeted educational performance.

(10) Specify that the authorizer and the organizer may amend the charter during the term of the charter by mutual consent and describe the process for amending the charter.

(11) Describe specific operating requirements, including all the matters set forth in the application for the charter.

(12) Specify a date when the charter school will:

(A) begin school operations; and

(B) have students attending the charter school.

(13) Specify that records of a charter school relating to the school's operation and charter are subject to inspection and copying to the same extent that records of a public school are subject to inspection and copying under IC 5-14-3.

(14) Specify that records provided by the charter school to the department or authorizer that relate to compliance by the

organizer with the terms of the charter or applicable state or federal laws are subject to inspection and copying in accordance with IC 5-14-3.

(15) Specify that the charter school is subject to the requirements of IC 5-14-1.5.

(16) This subdivision applies to a charter established or renewed for an adult high school after June 30, 2014. The charter must require:

(A) that the school will offer flexible scheduling;

(B) that students will not complete the majority of instruction of the school's curriculum online or through remote instruction;

(C) that the school will offer dual credit or industry certification course work that aligns with career pathways as recommended by the Indiana career council established by IC 22-4.5-9-3 **(expired);** and

(D) a plan:

(i) to support successful program completion and to assist transition of graduates to the workforce or to a postsecondary education upon receiving a diploma from the adult high school; and

(ii) to review individual student accomplishments and success after a student receives a diploma from the adult high school.

~~(17) This subdivision applies to a charter between an authorizer and an organizer of a charter school granted or renewed after June 30, 2019. The charter must require that:~~

~~(A) a charter school comply with actions implemented by the state board under IC 20-24-2.2-2.5; and~~

~~(B) if the state board implements closure of the charter school under IC 20-24-2.2-2.5, the charter is revoked at the time the charter school closes.~~

(b) A charter school shall set annual performance targets in conjunction with the charter school's authorizer. The annual performance targets shall be designed to help each school meet applicable federal, state, and authorizer expectations.

SECTION 6. IC 20-25-10-1, AS ADDED BY P.L.1-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 1. (a) The board shall modify, develop, and implement a plan for the improvement of student achievement in the schools in the school city.

(b) A plan modified, developed, and implemented under this chapter

must be consistent with this article and with IC 20-31-1, IC 20-31-2, IC 20-31-5, IC 20-31-6, IC 20-31-7, IC 20-31-8, ~~IC 20-31-9,~~ and IC 20-31-10.

SECTION 7. IC 20-25-10-3, AS AMENDED BY P.L.1-2006, SECTION 323, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 3. The board shall:

(1) modify, develop, and publish the plan required under this chapter; and

(2) implement the modified plan;

in compliance with the timelines of IC 20-31-1, IC 20-31-5, IC 20-31-6, IC 20-31-7, IC 20-31-8, ~~IC 20-31-9,~~ and IC 20-31-10.

SECTION 8. IC 20-25-10-5, AS AMENDED BY P.L.233-2015, SECTION 89, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 5. (a) The board shall annually assess and evaluate educational programs offered by the school city to determine:

(1) the relationship of the programs to improved student achievement; and

(2) the educational value of the programs in relation to cost.

(b) The board may obtain information from:

(1) educators in the schools offering a program;

(2) students participating in a program; and

(3) the parents of students participating in a program;

in preparing an assessment and evaluation under this section. The assessment must include the performance of the school's students in achieving student performance improvement levels under IC 20-31-1, IC 20-31-6, IC 20-31-7, IC 20-31-8, ~~IC 20-31-9,~~ IC 20-31-10, and IC 20-25-11.

SECTION 9. IC 20-25-11-1, AS AMENDED BY P.L.244-2017, SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 1. The board shall establish annual student performance improvement levels for each school that are not less rigorous than the student performance improvement levels under IC 20-31-1, IC 20-31-6, IC 20-31-7, IC 20-31-8, ~~IC 20-31-9,~~ and IC 20-31-10, including the following:

(1) For students:

(A) improvement in results on assessment tests and assessment programs;

(B) improvement in attendance rates; and

(C) improvement in progress toward graduation.

(2) For teachers:

(A) improvement in student results on assessment tests and assessment programs;

(B) improvement in the number and percentage of students achieving:
(i) state achievement standards; and
(ii) if applicable, performance levels set by the board;
on assessment tests;
(C) improvement in student progress toward graduation;
(D) improvement in student attendance rates for the school year;
(E) improvement in individual teacher attendance rates;
(F) improvement in:
(i) communication with parents; and
(ii) parental involvement in classroom and extracurricular activities; and
(G) other objectives developed by the board.

(3) For the school and school administrators:
(A) improvement in student results on assessment tests, totaled by class and grade;
(B) improvement in the number and percentage of students achieving:
(i) state achievement standards; and
(ii) if applicable, performance levels set by the board;
on assessment tests, totaled by class and grade;
(C) improvement in:
(i) student graduation rates; and
(ii) progress toward graduation;
(D) improvement in student attendance rates;
(E) management of:
(i) education fund expenditures;
(ii) operations fund expenditures; and
(iii) total expenditures;
per student;
(F) improvement in teacher attendance rates; and
(G) other objectives developed by the board.

SECTION 10. IC 20-25-12-1, AS ADDED BY P.L.1-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 1. (a) IC 20-31-1, IC 20-31-2, IC 20-31-5, IC 20-31-6, IC 20-31-7, IC 20-31-8, ~~IC 20-31-9,~~ and IC 20-31-10 apply to the school city. The composition of a local school improvement committee is determined under IC 20-31-1, IC 20-31-2, IC 20-31-5, IC 20-31-6, IC 20-31-7, IC 20-31-8, ~~IC 20-31-9,~~ and IC 20-31-10.

(b) The plan developed and implemented by the board under IC 20-25-10 must contain general guidelines for decisions by the

educators in each school to improve student achievement in the school.

(c) The board's plan shall provide for the publication to other schools in the school city and to the general community those:

(1) processes;

(2) innovations; and

(3) approaches;

that have led individual schools to significant improvement in student achievement.

SECTION 11. IC 20-25-13-7, AS AMENDED BY P.L.1-2006, SECTION 326, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 7. IC 20-28-6-4 and IC 20-28-6-5 apply to certificated employees in the school city. A teacher's students' performance improvement levels under the assessment tests and programs of IC 20-31-1, IC 20-31-5, IC 20-31-6, IC 20-31-7, IC 20-31-8, ~~IC 20-31-9,~~ and IC 20-31-10 may be used as a factor, but not the only factor, to evaluate the performance of a teacher in the school city.

SECTION 12. IC 20-25-15-1, AS ADDED BY P.L.1-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 1. ~~In addition to the consequences of IC 20-31-9,~~ The board shall place a school in the school city in academic receivership if the school fails for any two (2) consecutive school years to meet student performance improvement levels.

SECTION 13. IC 20-25-15-3, AS ADDED BY P.L.1-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 3. (a) If a school is placed in academic receivership, the superintendent and the board must take action to raise the school's level of performance.

(b) ~~In addition to the consequences of IC 20-31-9,~~ The actions that the superintendent and the board may take to raise the performance of a school in academic receivership include the following:

(1) Shifting resources of the school city to the school.

(2) Changing or removing:

(A) the school principal;

(B) teachers;

(C) administrators; or

(D) other staff.

(3) Establishing a new educational plan for the school.

(4) Requiring the superintendent or another school city appointee to administer the school until the academic receivership status of the school is removed.

(5) Contracting with a:

(A) for-profit organization;
(B) nonprofit organization; or
(C) individual;
to manage the school.
(6) Closing the school.
(7) Any other management, personnel, or policy changes that the superintendent and board expect in the following school year to:
(A) raise the performance of the school; and
(B) avoid continuing academic receivership status for the school.
(c) If this chapter is inconsistent with any other law relating to:
(1) education;
(2) teachers; or
(3) common schools;
this chapter governs.

SECTION 14. IC 20-25.7-5-5, AS AMENDED BY P.L.155-2020, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 5. (a) IC 20-24-5-5 (with the exception of IC 20-24-5-5(f)) does not apply to a participating innovation network charter school that enters into an agreement with the board to reconstitute or establish an eligible school.

(b) Except as provided in subsections (c) and (d), a participating innovation network charter school must enroll any eligible student who submits a timely application for enrollment.

(c) A participating innovation network charter school that reconstitutes or establishes an eligible school may limit new admissions to the participating innovation network charter school to:
(1) ensure that any student with legal settlement in the attendance area, or in the school corporation if the school does not have a defined attendance area, may attend the charter school;
(2) ensure that a student who attends the participating innovation network charter school during a school year may continue to attend the charter school in subsequent years;
(3) allow the siblings of a student alumnus or a current student who attends the participating innovation network charter school to attend the charter school;
(4) allow preschool students who attend a Level 3 or Level 4 Paths to QUALITY program preschool to attend kindergarten at the participating innovation network charter school if the participating innovation network charter school and the school corporation or preschool provider have entered into an agreement to share services or facilities;

(5) allow each student who qualifies for free or reduced price lunch under the national school lunch program to receive preference for admission to the participating innovation network charter school if the preference is specifically provided for in the charter and is approved by the authorizer; and

(6) allow each student who attended a turnaround academy under IC 20-31-9.5 **(before its repeal)** or attends a school that is located in the same school building as the participating innovation network charter school to receive preference for admission to the participating innovation network charter school if the preference is specifically provided for in the participating innovation network charter school's charter and is approved by the authorizer of the participating innovation network charter school.

(d) A participating innovation network charter school with a curriculum that includes study in a foreign country may deny admission to a student if:

(1) the student:

(A) has completed fewer than twenty-two (22) academic credits required for graduation; and

(B) will be in the grade 11 cohort during the school year in which the student seeks to enroll in the participating innovation network charter school; or

(2) the student has been suspended (as defined in IC 20-33-8-7) or expelled (as defined in IC 20-33-8-3) during the twelve (12) months immediately preceding the student's application for enrollment for:

(A) ten (10) or more school days;

(B) a violation under IC 20-33-8-16;

(C) causing physical injury to a student, a school employee, or a visitor to the school; or

(D) a violation of a school corporation's drug or alcohol rules.

For purposes of subdivision (2)(A), student discipline received under IC 20-33-8-25(b)(7) for a violation described in subdivision (2)(B) through (2)(D) must be included in the calculation of the number of school days that a student has been suspended.

(e) A participating innovation network charter school may give enrollment preferences to children of the participating innovation network charter school's founders, governing board members, and participating innovation network charter school employees, as long as the enrollment preference under this subsection is not given to more than ten percent (10%) of the participating innovation charter school's total population and there is sufficient capacity for a program, class,

grade level, or building to ensure that any student with legal settlement in the attendance area may attend the school.

(f) This subsection applies to an existing charter school that enters into an innovation network agreement with the board. During the charter school's first year of operation as a participating innovation network charter school, the charter school may limit admission to:

(1) those students who were enrolled in the charter school on the date it entered into the innovation network agreement; and

(2) siblings of students described in subdivision (1).

(g) This subsection applies if the number of applications for a program, class, grade level, or building exceeds the capacity of the program, class, grade level, or building. If a participating innovation network charter school receives a greater number of applications than there are spaces for students, each timely applicant must be given an equal chance of admission. The participating innovation network charter school that is not in a county containing a consolidated city must determine which of the applicants will be admitted to the participating innovation network charter school or the program, class, grade level, or building by random drawing in a public meeting with each timely applicant limited to one (1) entry in the drawing. However, the participating innovation network charter school located in a county with a consolidated city shall determine which of the applicants will be admitted to the participating innovation network charter school or the program, class, grade level, or building by using a publicly verifiable random selection process.

SECTION 15. IC 20-31-1-1, AS AMENDED BY P.L.92-2020, SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 1. This article applies only to the following:

(1) Except as provided in IC 20-31-4.1-3, public schools.

(2) Except as provided in IC 20-31-7, ~~and IC 20-31-9,~~ state accredited nonpublic schools.

SECTION 16. IC 20-31-2-7, AS AMENDED BY P.L.223-2015, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 7. "Plan" refers to any of the following:

(1) A strategic and continuous school improvement and achievement plan established under this article for a school or school corporation.

(2) A plan to establish an innovation network school to improve school performance under IC 20-25.7.

~~(3) A plan to establish a transformation zone under IC 20-31-9.5-9.5.~~

~~(4) Any plan approved by the state board for the turnaround of a~~

~~school or school corporation.~~

SECTION 17. IC 20-31-2-9 IS REPEALED [EFFECTIVE JULY 1, 2021]. ~~Sec. 9. "Special management team" means an entity that is assigned by the state board under IC 20-31-9-4(b)(1)(B) to manage a turnaround academy in whole or in part.~~

SECTION 18. IC 20-31-2-9.5 IS REPEALED [EFFECTIVE JULY 1, 2021]. ~~Sec. 9.5. "Transformation zone" means a school corporation that has submitted, through its governing body and to the state board, a plan and has been approved to operate under such a plan under IC 20-31-9.5-9.5.~~

SECTION 19. IC 20-31-2-10 IS REPEALED [EFFECTIVE JULY 1, 2021]. ~~Sec. 10. "Turnaround academy" means a school that is subject to IC 20-31-9.5 and for the purpose of federal funding only, is considered a local educational agency.~~

SECTION 20. IC 20-31-8-1, AS AMENDED BY P.L.192-2018, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) **This subsection expires June 30, 2024. Subject to section 5.5 of this chapter,** the performance of a school's students on the statewide assessment program test and other assessments recommended by the department of education and approved by the state board are the primary and majority means of assessing a school's improvement.

(b) This subsection applies after June 30, 2024. The performance of a school's students on the statewide assessment program test and other assessments recommended by the department of education and approved by the state board are the primary and majority means of assessing an elementary school's improvement. The state board may, and is encouraged to, incorporate:

(1) social studies;

(2) science; and

(3) a compilation of longitudinal data for an elementary school indicating school performance success in various selected and enumerated program areas that would account for at least twenty percent (20%) but not more than twenty-five percent (25%) of the elementary school's total performance score or result;

as indicators for assessing the elementary school's improvement. The state board may establish other categories of assessing an elementary school's improvement under rules adopted under IC 4-22-2.

~~(b)~~ **(c)** The department of education shall examine and make

recommendations to the state board concerning:

(1) performance indicators to be used as a secondary means of determining school progress;

(2) expected progress levels, continuous improvement measures, distributional performance levels, and absolute performance levels for schools; and

(3) an orderly transition from the performance based accreditation system to the assessment system set forth in this article.

~~(c)~~ **(d)** The department of education shall consider methods of measuring improvement and progress used in other states in developing recommendations under this section.

~~(d)~~ **(e)** The department of education may consider:

(1) the likelihood that a student may fail a graduation exam (before July 1, 2022) or fail to meet a postsecondary readiness competency established by the state board under IC 20-32-4-1.5(c) and require a graduation waiver under IC 20-32-4-4, IC 20-32-4-4.1, or IC 20-32-4-5; and

(2) remedial needs of students who are likely to require remedial work while the students attend a postsecondary educational institution or workforce training program;

when making recommendations under this section.

SECTION 21. IC 20-31-8-2, AS AMENDED BY P.L.242-2017, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. ~~(a) In addition to scores on the statewide assessment program test and other assessments,~~ The department shall use the performance indicators developed by the state board **under this chapter** and the benchmarks and indicators of performance in each school corporation's annual performance report as a ~~secondary~~ means of assessing the performance of each school and school corporation.

~~(b) The department shall assess school performance in the following manner:~~

~~(1) Compare the academic performance and growth of the individual students in each school and each school corporation with the prior academic performance and growth of the individual students in the school or school corporation and not to the performance of other schools or school corporations.~~

~~(2) Compare the results in the annual report under IC 20-20-8 with the benchmarks and indicators of performance established in the plan for the same school.~~

~~(3) Compare the results for a school by comparing each student's results for each grade with the student's prior year results, with an adjustment for student mobility rate.~~

~~(4) Compare the results for a school with the state average and the ninety-fifth percentile level for all assessments and performance indicators.~~

SECTION 22. IC 20-31-8-3, AS AMENDED BY P.L.86-2018, SECTION 181, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 3. (a) The state board ~~shall~~ **may** establish a number of categories, using an "A" through "F" grading scale, to designate **school performance. In addition, the state board may assign each domain, indicator, or measure used to measure school performance a separate and distinct category or designation in lieu of assigning a single category or designation for a school. However, if the state board assigns a separate and distinct category or designation for each domain, indicator, or measure, the state board shall determine a means of determining a combined category or designation of school performance for the sole purpose of determining whether a school is eligible for programs or whether certain requirements in IC 20 apply to the particular school.** ~~performance based on the individual student academic performance and growth to proficiency in each school.~~

(b) The state board, in consultation with the department, shall define "low population schools" and shall determine the criteria for placing low population schools in categories established under subsection (a). In setting the definition and criteria for low population schools, the state board shall not penalize schools based on population. ~~An eligible school (as defined in IC 20-51-1-4.7) may not be penalized under IC 20-51-4-9 for the sole reason that the eligible school is considered a low population school under this subsection.~~ The state board's definition and criteria may include the placement of a school that fits the state board's definition in a "null" or "no letter grade" category.

(c) In developing metrics for the categories established under subsection (a), the state board, in consultation with the department, to the extent not inconsistent with federal law, shall consider the severity of tested students' disabilities when using statewide assessment scores as a means of assessing school performance.

(d) In developing metrics for the categories established under subsection (a), the state board shall consider the mobility of high school students who are credit deficient and whether any high school should be rewarded for enrolling credit deficient students or penalized for transferring out credit deficient students.

SECTION 23. IC 20-31-8-4, AS AMENDED BY P.L.287-2019, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 4. (a) The state board shall place each school in

a **particular** category or designation of school performance once annually based on the department's findings from the assessment of performance and academic growth under ~~section 2 of this chapter.~~ **indicators established by the state board under this chapter.**

(b) The state board may place a school in a category or designation of school performance only if:

(1) the department has provided each school the opportunity to review, add to, or supplement the data, and to correct any errors in the data; and

(2) the state board's staff has had an opportunity to review and analyze the school corporation, school, and student level data.

(c) Based on procedures adopted by the state board, a school corporation or school that focuses primarily on providing an academic program for students with developmental, intellectual, or behavioral challenges may petition the state board for review of the school corporation's or school's **particular** category or designation of school performance placement based on objective factors that the school corporation or school considers relevant because the annual assessment data does not accurately reflect, as applicable, school performance, growth, or multiple measures. Objective factors include:

(1) significant demographic changes in the student population;

(2) errors in data; or

(3) other significant issues.

After considering the petition for review, the state board may direct the department to revise the **particular** category or designation assigned to the school corporation or school, including assigning a "null" or "no letter grade" **particular** category or designation to the school corporation or school. The state board may grant the "null" designation for multiple years.

(d) The state board may obtain assistance from another entity or, with the approval of the legislative council, the legislative services agency to ensure the validity and reliability of the performance category or designation placements calculated by the department under section 2 of this chapter. The department shall provide all the data necessary to complete those calculations to the legislative services agency or to an entity designated by the state board.

SECTION 24. IC 20-31-8-4.6, AS ADDED BY P.L.217-2017, SECTION 105, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 4.6. (a) If a school corporation or a charter school enters into an agreement with an eligible school (as defined in IC 20-51-1-4.7) to provide dropout recovery educational services for an at-risk student who is enrolled at a public school, the

student may not be included in the calculation of the public school's **particular** category or designation of school performance.

(b) The state board shall adopt rules under IC 4-22-2 and any guidelines necessary to carry out this section.

SECTION 25. IC 20-31-8-5.4, AS ADDED BY P.L.2-2014, SECTION 88, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.4. (a) Not later than November 15, 2013, the state board shall establish new categories or designations of school performance under the requirements of this chapter to replace 511 IAC 6.2-6. The new standards of assessing school performance:

(1) must be based on a measurement of individual student academic performance and growth to proficiency; and

(2) may not be based on a measurement of student performance or growth compared with peers.

511 IAC 6.2-6 is void on the effective date of the emergency or final rules adopted under this section.

(b) After July 1, 2013, the state board:

(1) shall adopt rules under IC 4-22-2; and

(2) may adopt emergency rules in the manner provided in IC 4-22-2-37.1;

to implement this chapter.

(c) An emergency rule adopted under subsection (b) expires on the earlier of:

(1) November 15, 2014; or

(2) the effective date of a rule that establishes categories or designations of school improvement described in this section and supersedes the emergency rule.

(d) Before beginning the rulemaking process to establish new categories or designations of school improvement, the state board shall report to the general assembly the proposed new categories or designations in an electronic format under IC 5-14-6.

(e) This section expires June 30, 2024.

SECTION 26. IC 20-31-8-5.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 5.5. (a) Before July 1, 2024, the state board shall establish one (1) or more new categories or designations of high school performance under this section to replace 511 IAC 6.2-10. The new standards of assessing high school performance are limited to the following requirements:**

(1) Postsecondary preparation indicators aligned to graduation pathways. In developing requirements under this subdivision, the state board shall consider using a school's

graduation rate as a postsecondary preparation indicator.

(2) An on-track indicator based upon student credits earned in high school.

(3) A compilation of longitudinal data, which shall be known as a "dashboard", indicating school performance success in various selected and enumerated program areas. The longitudinal data shall account for at least twenty percent (20%) but not more than twenty-five percent (25%) of a high school's total performance score or result.

(b) 511 IAC 6.2-10 is void on the earlier of:

(1) the effective date of the emergency or final rules adopted under this section; or

(2) July 1, 2024.

(c) The state board:

(1) shall adopt rules under IC 4-22-2; and

(2) may adopt emergency rules in the manner provided in IC 4-22-2-37.1;

to implement this section.

(d) An emergency rule adopted under subsection (c) expires on the earlier of:

(1) July 1, 2024; or

(2) the effective date of a rule that establishes categories or designations of school improvement described in this section and supersedes the emergency rule.

SECTION 27. IC 20-31-8-6, AS ADDED BY P.L.286-2013, SECTION 106, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 6. (a) This section applies to a school that has appealed ~~the school's placement in~~ a category or designation **assigned** under section 4 of this chapter.

(b) If as a result of an appeal a school's placement in a **particular** category or designation **assigned** under section 4 of this chapter changes, the department shall:

(1) change the **particular** category or designation in the department's records;

(2) notify the school of the change; and

(3) disseminate information concerning the change in the school's placement in the same manner as information concerning the school's original placement was disseminated.

SECTION 28. IC 20-31-8-7, AS ADDED BY P.L.35-2014, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 7. If the state board adopts a rule to assign ~~a category or designation of school improvement~~ **one (1) or more**

categories or designations of school improvement to a school corporation, the state board shall also adopt a rule to assign ~~a category or designation of school improvement~~ **one (1) or more categories or designations of school improvement** to a charter school organizer.

SECTION 29. IC 20-31-9 IS REPEALED [EFFECTIVE JULY 1, 2021]. (Consequences).

SECTION 30. IC 20-31-9.5-0.5 IS REPEALED [EFFECTIVE JULY 1, 2021]. ~~Sec. 0.5. (a) The state board must approve any contracts necessary to implement IC 20-31-9 and this chapter.~~

~~(b) The state board may direct the department to assist the state board with the state board's duties under IC 20-31-9 and this chapter, including, but not limited to:~~

~~(1) providing data to the state board that the state board determines is necessary to execute such duties; and~~

~~(2) entering into contracts as determined by the state board.~~

SECTION 31. IC 20-31-9.5-1 IS REPEALED [EFFECTIVE JULY 1, 2021]. ~~Sec. 1. (a) None of the following may be considered a school employer under IC 20-29-2-15 with respect to a turnaround academy:~~

~~(1) The state.~~

~~(2) The state board.~~

~~(3) A special management team assigned by the state board under IC 20-31-9-4.~~

~~(b) A special management team assigned under IC 20-31-9-4 shall make all personnel decisions in the school. In operating a school as a turnaround academy under this chapter, a special management team is not bound by a contract entered into under IC 20-29.~~

SECTION 32. IC 20-31-9.5-2 IS REPEALED [EFFECTIVE JULY 1, 2021]. ~~Sec. 2. (a) If the state board assigns a special management team under IC 20-31-9-4 to operate a school as a turnaround academy, for as long as the special management team operates the turnaround academy the following requirements apply:~~

~~(1) The special management team has the right to use any school building and all facilities and property otherwise part of the school and recognized as part of the facilities or assets of the school before its placement as a turnaround academy, including the building's contents, equipment, and supplies, and is entitled access to such additional facilities as were typically available to the school and its students, faculty, and staff before its placement as a turnaround academy. The special management team shall maintain and repair the buildings and grounds in a manner that is at least consistent with the maintenance and repair of the other buildings and grounds within the school corporation. The special~~

management team shall maintain the building's contents and equipment in a reasonable manner.

(2) The special management team shall receive, control, and expend a pro rata share of the property tax revenue distributed to the school corporation under IC 6-1.1-27-1. The amount of property tax revenue shall be calculated by the department of local government finance on the basis of student enrollment for students attending that school who have legal settlement in the taxing unit other than the amount obligated to pay for existing debt service. The school corporation shall remit this amount to the special management team at a frequency determined by the state board in consultation with the department and the school corporation. This subsection does not apply if the school corporation provides services and funding to the special management team pursuant to an operations, maintenance, and repair agreement entered into before July 1, 2015.

(3) The special management team shall either:

(A) provide transportation for students attending the turnaround academy; or

(B) contract with the school corporation to provide transportation for students attending the turnaround academy.

Transportation must be provided at the same level of service the school corporation provided before the school became a turnaround academy.

(b) The school corporation:

(1) may not take action adverse to the special management team's operation of the school, including, but not limited to, taking action to dispose of or cloud the title of the real property on which the school is located or removing or disposing of personal property located in or assigned to the school; and

(2) shall, not later than forty-five (45) days after the state board executes a contract with a special management team under section 7 of this chapter, provide to the special management team all student records and other data in a manner consistent with the federal Family Educational Rights and Privacy Act (20 U.S.C. 1232g and 34 CFR Part 99) for the students who attended the school immediately before the school qualified for intervention under IC 20-31-9.

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

~~(d) If the state board determines that the school corporation has not complied with any provision of subsection (b) or (c), the state board may order the department:~~

~~(1) to withhold from the school corporation additional state funds otherwise to be distributed to the school corporation; and~~

~~(2) to distribute those funds to the special management team;~~

~~in order to permit the special management team to operate the school notwithstanding the school corporation's noncompliance with subsection (b) or (c).~~

~~(e) The special management team and the school corporation's board shall hold a joint public meeting at least two (2) times each year to discuss issues and progress concerning the turnaround academy.~~

SECTION 33. IC 20-31-9.5-3 IS REPEALED [EFFECTIVE JULY 1, 2021]. ~~Sec. 3. (a) Turnaround academies are eligible to receive building and technology loans administered by the state board from the common school fund.~~

~~(b) A student who attends a turnaround academy or another school subject to intervention under this chapter remains, under IC 20-43-4-1, an eligible pupil of the school corporation where the student has legal settlement.~~

~~(c) The state board, based upon recommendations received from the department, shall determine the amounts of state tuition support and federal funds that are necessary to fund options for improvement implemented by the state board under this chapter with respect to each turnaround academy.~~

~~(d) The department shall do the following:~~

~~(1) Present recommendations for state tuition support and federal funding amounts to the state board before the start of each fiscal year for each year during the intervention at a schedule determined by the state board.~~

~~(2) Withhold from state tuition support and federal funds otherwise to be distributed to the school corporation of the school operated as a turnaround academy under this chapter the amount determined under subsection (c) for the affected students. The amount withheld under this subdivision may not exceed the total per pupil funding for the affected students.~~

~~(3) Enter into any contracts necessary to implement the options for improvement implemented for the school by the state board, including contracts with a special management team assigned under IC 20-31-9-4 to operate the school as a turnaround academy. All contracts are subject to approval by the state board before execution. All contracts must be submitted to the state~~

board for the state board's approval at least sixty (60) days prior to execution.

(4) Make payments under the contracts entered into under subdivision (3) with funds withheld from the school corporation under subdivision (2).

SECTION 34. IC 20-31-9.5-4 IS REPEALED [EFFECTIVE JULY 1, 2021]. Sec. 4. Any student who lives in the attendance area served by a school that is operated as a turnaround academy under this chapter may attend the turnaround academy. The turnaround academy may not refuse enrollment to a student who lives in the attendance area.

SECTION 35. IC 20-31-9.5-7 IS REPEALED [EFFECTIVE JULY 1, 2021]. Sec. 7. (a) If the state board assigns a special management team, the department shall enter into a contract with a special management team. The terms of the contract must specify the following:

(1) A requirement that the special management team and the governing body conduct a public meeting two (2) times each year to provide a report concerning:

(A) student achievement of affected students; and

(B) the condition of the school property and to address issues related to the school property.

(2) The amount of local, state, and federal funding, including tuition support, to be distributed to the school.

(3) A requirement that the student instruction must be provided by teachers licensed under IC 20-28-5.

(4) The performance goals and accountability metrics agreed upon for the school.

(5) Grounds for termination of the contract, including the right of termination if the special management team fails to do any of the following:

(A) Comply with the conditions or procedures established in the contract.

(B) Meet the state's financial management and government accounting requirements.

(C) Comply with applicable laws.

(D) Meet the performance goals and accountability metrics agreed upon under subdivision (4).

(b) The special management team shall have full autonomy to operate the school as provided in the contract described in subsection (a).

(c) The term of the contract may not exceed five (5) years. The contract may be extended after the initial term at the direction of the

~~state board.~~

~~(d) Individuals employed by the special management team are entitled to participate in:~~

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

~~(2) the public employees' retirement fund created by IC 5-10.3; or~~

~~(3) another employee pension or retirement fund.~~

SECTION 36. IC 20-31-9.5-9.5, AS ADDED BY P.L.223-2015, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 9.5. (a) The governing body of a school that has been placed in the lowest two (2) categories or designations **of school performance under IC 20-31-8-3(a)** may submit a plan to the state board to create a transformation zone within the school corporation. A plan may be developed with the assistance of the department. **After June 30, 2021, the state board may not use the establishment of a transformation zone under this section as an intervention in a particular school corporation to improve school performance.**

(b) The state board shall grant the designation as a transformation zone unless the state board concludes that the submitted plan does not substantially meet the criteria set forth in this section. All plans must be submitted to the state board not later than April 15, 2016, or April 15 each year thereafter. All plans must be approved or denied by the state board not later than July 1 of the first year of implementation.

(c) Each plan must include the following information:

(1) An organizational chart that demonstrates that the leader of the transformation zone reports directly to the school corporation's superintendent.

(2) A description of the innovations the school corporation will implement, which may include:

(A) innovations in school staffing;

(B) curriculum and nonmandated assessments;

(C) class scheduling;

(D) the length of the school day or year;

(E) the use of financial and other resources;

(F) teacher recruitment, employment, and compensation; and

(G) other innovations.

(3) The objective annual student performance and growth or improvement performance gains that the school corporation expects to achieve over the next five (5) years.

(4) A budget demonstrating financial sustainability of the transformation zone. ~~without the use of special turnaround funding at the end of the fifth year of operation, with lower amounts of special turnaround funding in the fourth and fifth~~

~~years.~~

(5) A description of any regulatory or district policy requirements, subject to ~~the~~ the state board's approval, that would need to be waived for the school corporation to implement the transformation zone.

(d) Subject to subsection (e), a school within the transformation zone ~~that is not operated by a special management team~~ is not subject to IC 20-29 unless the school corporation voluntarily recognizes an exclusive representative under IC 20-29-5-2. If the school corporation voluntarily recognizes an exclusive representative under IC 20-29-5-2, the school corporation may authorize a school within the transformation zone to opt out of bargaining allowable subjects or discussing discussion items by specifying the excluded items on the notice required under IC 20-29-5-2(b). Such notice must be provided to the education employment relations board at the time of the notice's posting.

(e) Subsection (d) applies only to a school that has been designated as a transformation zone following the third consecutive year in the lowest performance category or designation.

(f) All plans approved under this chapter shall be sent by the state board to the education employment relations board not later than fifteen (15) days after the plan's approval.

SECTION 37. IC 20-31-9.5-11 IS REPEALED [EFFECTIVE JULY 1, 2021]. ~~Sec. 11. (a) At the time of the initial intervention or at any point during the intervention, the state board may approve a written request from a special management team to:~~

~~(1) expand the grades offered at the school occupied by the special management team; and~~

~~(2) operate a charter school managed by the special management team within the same facility;~~

~~if the state board determines that academic outcomes or financial sustainability of the turnaround academy will improve through implementing the request.~~

~~(b) A written request under subsection (a) must include all of the following:~~

~~(1) An analysis of any building modifications that would be necessary to serve various ages of students and corporation approval of the modifications.~~

~~(2) Plans for ensuring safety of younger aged students when the younger students are in shared space with older students.~~

~~(3) Specific year by year academic goals for the original affected students and the additional grade levels of students, disaggregated~~

~~by grade.~~

~~(c) The state board shall hold a public hearing, located in the facility proposed to be used, before approval of any request made under this section.~~

SECTION 38. [EFFECTIVE UPON PASSAGE] **(a) The definitions used in IC 20 apply throughout this SECTION.**

(b) Subject to subsection (c), consequences to which a school is subject on June 30, 2021, under IC 20-31-9, before its repeal by this act on July 1, 2021, are null and void after June 30, 2021.

(c) A school subject to consequences under IC 20-31-9, before its repeal by this act on July 1, 2021, may petition the state board, in a manner prescribed by the state board, to continue assistance required or authorized by the state board under IC 20-31-9, before its repeal by this act, as if IC 20-31-9 was not repealed by this act.

(d) This SECTION expires July 1, 2026.

SECTION 39. **An emergency is declared for this act.**