

HOUSE BILL No. 1638

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-19-2-14; IC 20-31.

Synopsis: School transformation zones. Makes various changes to the consequences for failing schools. Accelerates from six years to four years the timeline for state intervention for a school in the two lowest categories or designations of school improvement. Makes various changes to the provisions relating to management of turnaround academies by special management teams. Provides that the state board of education (state board) may approve a governing body's plan to establish a transformation zone. Repeals a provision relating to a correction of a disbursement of state and federal funds to the Indianapolis Public Schools for the 2012-2013 state fiscal year. Establishes the turnaround grant fund to make grants to turnaround academies. Makes technical corrections.

Effective: July 1, 2015.

Behning

January 22, 2015, read first time and referred to Committee on Education.



First Regular Session of the 119th General Assembly (2015)

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 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

HOUSE BILL No. 1638



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

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

1 SECTION 1. IC 20-19-2-14, AS AMENDED BY P.L.286-2013,
2 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2015]: Sec. 14. The state board shall do the following:
4 (1) Establish the educational goals of the state, developing
5 standards and objectives for local school corporations.
6 (2) Assess the attainment of the established goals.
7 (3) Assure compliance with established standards and objectives.
8 (4) Coordinate with the commission for higher education
9 (IC 21-18-1) and the department of workforce development
10 (IC 22-4.1-2) to develop entrepreneurship education programs for
11 elementary and secondary education, higher education, and
12 individuals in the work force.
13 (5) Make recommendations to the governor and general assembly
14 concerning the educational needs of the state, including financial
15 needs.



1 (6) Provide for reviews to ensure the validity and reliability of the
2 ISTEP program.

3 **(7) Approve and oversee the implementation of plans for the**
4 **turnaround of schools and school corporations not meeting**
5 **the educational goals of the state.**

6 SECTION 2. IC 20-31-2-7, AS ADDED BY P.L.1-2005, SECTION
7 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,
8 2015]: Sec. 7. "Plan" refers to **any of the following:**

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

12 **(2)** A plan to establish an innovation network school to
13 improve school performance under IC 20-31-9-4.

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

16 **(4)** Any plan approved by the state board for the turnaround
17 of a school or school corporation.

18 SECTION 3. IC 20-31-2-9, AS ADDED BY P.L.229-2011,
19 SECTION 186, IS AMENDED TO READ AS FOLLOWS
20 [EFFECTIVE JULY 1, 2015]: Sec. 9. "Special management team"
21 means an entity that manages a turnaround academy **in whole or in**
22 **part, including within a transformation zone.**

23 SECTION 4. IC 20-31-2-9.5 IS ADDED TO THE INDIANA CODE
24 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
25 1, 2015]: Sec. 9.5. "Transformation zone" means a school
26 corporation that has submitted, through its governing body and to
27 the state board, a plan and has been approved to operate under
28 such a plan under IC 20-31-9.5-9.5.

29 SECTION 5. IC 20-31-9-3, AS AMENDED BY P.L.229-2011,
30 SECTION 188, IS AMENDED TO READ AS FOLLOWS
31 [EFFECTIVE JULY 1, 2015]: Sec. 3. (a) This section applies if, in the
32 ~~third~~ year after ~~initial placement~~ **the year in which the school is**
33 **initially placed** in the lowest category or designation, a school still
34 remains in the lowest category or designation.

35 (b) The state board shall establish and assign an expert team to the
36 school. The expert team:

37 (1) must include representatives from the community or region
38 that the school serves; and

39 (2) may include:

40 (A) school superintendents, members of governing bodies, and
41 teachers from school corporations that are in high categories
42 or designations; and



- 1 (B) special consultants or advisers.
 2 (c) The expert team shall:
 3 (1) assist the school in revising the school's plan; and
 4 (2) recommend changes in the school that will promote
 5 improvement, including the reallocation of resources or requests
 6 for technical assistance.
 7 (d) The governing body of the school corporation in which a school
 8 to which this section applies is located may petition the state board to
 9 immediately restructure the school by presenting a written plan to the
 10 state board setting forth the proposed intervention for the school. If the
 11 state board approves the petition and accepts the plan, the school
 12 (1) operates under the applicable provisions of IC 20-31-9.5; and
 13 (2) is carried forward in the same performance category or
 14 designation in which the school is placed at the time the state
 15 board accepts the plan.
 16 SECTION 6. IC 20-31-9-3.5 IS ADDED TO THE INDIANA CODE
 17 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 18 1, 2015]: **Sec. 3.5. (a) This section applies if, in the second year after
 19 initial placement in the lowest two (2) categories or designations,
 20 a school still remains in the lowest two (2) categories or
 21 designations.**
 22 **(b) A school corporation must conduct a school corporation
 23 wide assessment of facilities use and prepare a facilities master
 24 plan to:**
 25 **(1) ensure optimal use of facilities; and**
 26 **(2) identify which schools should be closed, repurposed, or
 27 renovated.**
 28 **(c) The plan described in subsection (b) shall be submitted to the
 29 state board not later than May 1 in the third year that the school
 30 is placed in the lowest two (2) performance categories or
 31 designations to inform the state board's intervention decision in the
 32 fourth year as described under IC 20-31-9-4.**
 33 **(d) The state board may require an updated facilities master
 34 plan from the school corporation within the intervention period to
 35 assist the state board with fulfilling the state board's duties under
 36 this chapter.**
 37 SECTION 7. IC 20-31-9-4, AS AMENDED BY P.L.229-2011,
 38 SECTION 189, IS AMENDED TO READ AS FOLLOWS
 39 [EFFECTIVE JULY 1, 2015]: Sec. 4. (a) This section applies if, in the
 40 ~~fifth~~ **third** year after initial placement in the lowest ~~category or~~
 41 ~~designation, two (2) categories or designations~~, a school still remains
 42 in the lowest ~~category or designation, two (2) categories or~~



1 **designations.**

2 (b) The state board shall do the following:

3 (1) Hold at least one (1) public hearing in the school corporation
4 where the school is located to consider and hear testimony
5 concerning the following options for school improvement:

6 (A) Merging the school with a nearby school that is in a higher
7 category.

8 (B) Assigning a special management team to operate all or
9 part of the school.

10 **(C) Approving the school corporation's plan to improve**
11 **the school through creation of a transformation zone.**

12 **(D) Approving the school corporation's plan to improve**
13 **the school through creation of an innovation network**
14 **school under IC 20-25.5-4.**

15 ~~(E)~~ (E) The department's recommendations for improving the
16 school.

17 ~~(F)~~ (F) Other options for school improvement expressed at the
18 public hearing, including

19 **(G) Closing the school.**

20 ~~(E)~~ Revising the school's plan in any of the following areas:

21 (i) Changes in school procedures or operations:

22 (ii) Professional development.

23 (iii) Intervention for individual teachers or administrators.

24 (2) If the state board determines that intervention will improve the
25 school, implement at least one (1) of the options listed in
26 subdivision (1).

27 (c) Unless the school is closed or merged, a school that is subject to
28 improvement under this section becomes a turnaround academy under
29 IC 20-31-9.5.

30 **(d) A school corporation shall provide an updated facilities**
31 **master plan and an asset plan inventory for the school to the state**
32 **board by September 1 following the fourth consecutive year in the**
33 **lowest two (2) performance categories or designations.**

34 SECTION 8. IC 20-31-9-5 IS ADDED TO THE INDIANA CODE
35 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
36 1, 2015]: **Sec. 5. (a) This section applies if, in the fourth year after**
37 **a school corporation is initially placed in the lowest category or**
38 **designation, the school corporation remains in the lowest category**
39 **or designation.**

40 **(b) The state board shall hold at least one (1) public hearing in**
41 **the school corporation to take testimony concerning the feasibility**
42 **of taking any of the following actions for providing a quality**



1 education to the affected students in the school corporation:

2 (1) Assigning a special management team to operate all or
3 part of the school corporation.

4 (2) Assigning a special management team to develop a
5 transformation zone plan and assist the school corporation
6 with implementing the plan.

7 (3) Implementing the department's recommendations for
8 improving the school corporation.

9 (4) Filing a petition with the distressed unit appeal board
10 established under IC 6-1.1-20.3 seeking to have the school
11 corporation designated as a distressed political subdivision.
12 The distressed unit appeal board may designate the school
13 corporation as a distressed political subdivision under
14 IC 6-1.1-20.3-6.5 solely on the basis of the petition of the state
15 board notwithstanding IC 6-1.1-20.3-6.

16 (c) Notwithstanding any other law, if the state board determines
17 that taking at least one (1) of the actions listed in subsection (b) will
18 improve the school corporation, the state board may take the
19 action listed under subsection (b) that the state board determines
20 is appropriate.

21 SECTION 9. IC 20-31-9-6 IS ADDED TO THE INDIANA CODE
22 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
23 1, 2015]: Sec. 6. (a) Not later than December 31 of the fifth year of
24 an intervention under this chapter, the state board shall take one
25 (1) of the following actions:

26 (1) Return the school to the school corporation for operation
27 if the state board determines that the school corporation
28 demonstrates the ability to successfully operate the school
29 upon return.

30 (2) Direct the special management team to apply to a charter
31 school authorizer for charter school status for the school.

32 (3) Implement a new intervention, or extend the existing
33 intervention, under section 4(b) of this chapter.

34 (b) In making a determination under this section, the state
35 board shall consider all relevant factors, including the overall
36 performance of the school corporation and the special management
37 team.

38 (c) Before making a final determination to take an action under
39 subsection (a), the state board shall hold at least one (1) public
40 hearing in the school corporation in which the school is located
41 during the fall semester of the fifth year of an intervention to
42 consider and hear testimony.



1 (d) If the state board directs the special management team to
 2 apply for charter school status under subsection (a)(2), the school
 3 corporation shall enter into an agreement with the organizer under
 4 IC 20-26-7-1 for continued use of the school facilities unless the
 5 organizer notifies the state board that it wishes to operate the
 6 charter school in an alternate facility selected by the organizer.

7 SECTION 10. IC 20-31-9-7 IS ADDED TO THE INDIANA CODE
 8 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 9 1, 2015]: Sec. 7. (a) Not later than December 31 of the fifth year of
 10 intervention under section 5 of this chapter, the state board shall
 11 take one (1) of the following actions:

12 (1) End state directed intervention at the school corporation
 13 if the state board determines that the school corporation
 14 demonstrates the ability to successfully operate without such
 15 intervention.

16 (2) Implement a new intervention, or extend the existing
 17 intervention, under section 5(b) of this chapter.

18 (b) In making a determination under this section, the state
 19 board shall consider all relevant factors, including the overall
 20 academic performance and financial stability of the school
 21 corporation.

22 (c) Before making a final determination to take an action under
 23 subsection (a), the state board shall hold at least one (1) public
 24 hearing in the school corporation during the fall semester of the
 25 fifth year of an intervention to consider and hear testimony.

26 SECTION 11. IC 20-31-9-9 IS REPEALED [EFFECTIVE JULY 1,
 27 2015]. Sec. 9: (a) Not later than December 31 of the fifth year of an
 28 intervention under this chapter, the state board shall take one (1) of the
 29 following actions:

30 (1) Return the school to the school corporation for operation.

31 (2) Direct the special management team to apply to a charter
 32 school authorizer for charter school status for the school.

33 (3) Implement a new intervention under section 4(b) of this
 34 chapter.

35 (b) In making a determination under this section, the state board
 36 may consider all relevant factors, including the overall performance of
 37 the school corporation and the special management team.

38 (c) Before making a final determination to take an action under
 39 subsection (a), the state board shall hold at least one (1) public hearing
 40 in the school corporation in which the school is located during the fall
 41 semester of the fifth year of an intervention to consider and hear
 42 testimony.



1 (d) If the state board directs the special management team to apply
 2 for charter school status under subsection (a)(2); the school is entitled
 3 to continue to use the school's facilities in the same manner as a charter
 4 school that acquires school facilities under ~~IC 20-26-7-1~~ is entitled to
 5 use school facilities:

6 SECTION 12. IC 20-31-9.5-0.5 IS ADDED TO THE INDIANA
 7 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 8 [EFFECTIVE JULY 1, 2015]: **Sec. 0.5. (a) The state board may enter**
 9 **into any contracts necessary to implement IC 20-31-9 and this**
 10 **chapter.**

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

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

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

17 SECTION 13. IC 20-31-9.5-1, AS ADDED BY P.L.229-2011,
 18 SECTION 190, IS AMENDED TO READ AS FOLLOWS
 19 [EFFECTIVE JULY 1, 2015]: Sec. 1. (a) None of the following may be
 20 considered a school employer under ~~IC 20-29-6~~ **IC 20-29-2-15** with
 21 respect to a turnaround academy:

22 (1) The state.

23 (2) The state board.

24 (3) A special management team assigned by the state board under
 25 IC 20-31-9-4 ~~to operate a school as a turnaround academy: or~~
 26 **IC 20-31-9-5.**

27 (b) A special management team assigned under IC 20-31-9-4 ~~to~~
 28 ~~operate a school as a turnaround academy or IC 20-31-9-5~~ shall make
 29 all personnel decisions in the school. In operating ~~the~~ a school as a
 30 turnaround academy under this chapter, ~~the~~ a special management team
 31 is not bound by a contract entered into under IC 20-29.

32 SECTION 14. IC 20-31-9.5-2, AS ADDED BY P.L.229-2011,
 33 SECTION 190, IS AMENDED TO READ AS FOLLOWS
 34 [EFFECTIVE JULY 1, 2015]: Sec. 2. (a) If the state board assigns a
 35 special management team under IC 20-31-9-4 to operate a school as a
 36 turnaround academy, for as long as the special management team
 37 operates the turnaround academy **the following requirements apply:**

38 (1) The special management team shall ~~continue to use the school~~
 39 ~~building, the accompanying real property, and the building's~~
 40 ~~contents, equipment, and supplies; and have the right to use any~~
 41 **school building and all facilities and property otherwise part**
 42 **of the school and recognized as part of the facilities or assets**



1 of the school prior to its placement as a turnaround academy,
 2 including the building's contents, equipment, and supplies,
 3 and shall have access to such additional facilities as were
 4 typically available to the school and its students, faculty, and
 5 staff prior to its placement in the district. The special
 6 management team shall maintain and repair the buildings and
 7 grounds in a manner that is at least consistent with the
 8 maintenance and repair of the other buildings and grounds
 9 within the school corporation.

10 (2) the school corporation shall continue to:

11 (A) provide transportation for students attending the
 12 turnaround academy at the same level of service the school
 13 corporation provided before the school became a turnaround
 14 academy; and

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

18 The school corporation shall consult with The special
 19 management team ~~regarding these matters.~~ shall receive, control,
 20 and expend the local funding for the school. The amount of
 21 local dollars shall be calculated by the department of local
 22 government finance on the basis of student enrollment for
 23 students attending that school who live in the taxing unit other
 24 than the amount obligated to pay for existing debt service.
 25 The school corporation shall remit this amount to the special
 26 management team at a frequency determined by the state
 27 board in consultation with the department and the school
 28 corporation.

29 (3) The special management team shall either:

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

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

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

38 (b) The school corporation shall:

39 (1) take no action adverse to the special management team's
 40 operation of the school, including, but not limited to taking no
 41 action to dispose of or cloud the title of the real property on
 42 which the school is located, or removing or disposing of



1 **personal property located in or assigned to the school; and**
 2 **(2) not later than forty-five (45) days after the state board**
 3 **executes a contract with a special management team under**
 4 **section 7 of this chapter, provide to the special management**
 5 **team all student records and other data for the students who**
 6 **attended the school immediately prior to the school qualifying**
 7 **for intervention under IC 20-31-9.**

8 ~~(b)~~ **(c)** If the special management team contracts with a school
 9 corporation for goods or services, the school corporation may not
 10 charge the special management team more for the goods or services
 11 than the school corporation pays for the goods or services.

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

15 **(1) to withhold from the school corporation additional state**
 16 **funds otherwise to be distributed to the school corporation;**
 17 **and**

18 **(2) to distribute those funds to the special management team;**
 19 **in order to permit the special management team to operate the**
 20 **school notwithstanding the school corporation's prohibited or**
 21 **refused action under subsection (b) or (c).**

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

25 SECTION 15. IC 20-31-9.5-3, AS ADDED BY P.L.229-2011,
 26 SECTION 190, IS AMENDED TO READ AS FOLLOWS
 27 [EFFECTIVE JULY 1, 2015]: Sec. 3. (a) Turnaround academies are
 28 eligible to receive building and technology loans administered by the
 29 state board from the common school fund.

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

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

39 (d) The department shall do the following:

40 **(1) Present recommendations for state tuition support and**
 41 **federal funding amounts to the state board prior to the start**
 42 **of each fiscal year for each year during the intervention at a**



1 **schedule determined by the state board.**
 2 ~~(1)~~ **(2)** Withhold from state tuition support and federal funds
 3 otherwise to be distributed to the school corporation of the school
 4 operated as a turnaround academy under this chapter the amount
 5 determined under subsection (c) for the affected students. The
 6 amount withheld under this subdivision may not exceed the total
 7 per pupil funding for the affected students.
 8 ~~(2) Enter into any contracts necessary to implement the options~~
 9 ~~for improvement implemented for the school by the state board;~~
 10 ~~including contracts with a special management team assigned~~
 11 ~~under IC 20-31-9-4 to operate the school as a turnaround~~
 12 ~~academy.~~
 13 (3) Make payments under the contracts entered into **by the state**
 14 **board** under ~~subdivision (2)~~ **this chapter** with funds withheld
 15 from the school corporation under subdivision ~~(1)~~ **(2)**.
 16 SECTION 16. IC 20-31-9.5-5, AS ADDED BY P.L.229-2011,
 17 SECTION 190, IS AMENDED TO READ AS FOLLOWS
 18 [EFFECTIVE JULY 1, 2015]: Sec. 5. (a) The executive of a city or
 19 county in which one (1) or more turnaround academies are located may
 20 petition the state board to oversee the special management team. The
 21 petition must include the following:
 22 (1) The names of one (1) or more turnaround academies located
 23 within the executive's jurisdiction for which the executive wishes
 24 to conduct oversight.
 25 (2) The functions the executive wishes to perform.
 26 (3) Information on how and by whom those functions will be
 27 carried out.
 28 (b) The state board may approve or not approve a petition under this
 29 section in whole or part.
 30 **(c) This section expires on July 1, 2015.**
 31 SECTION 17. IC 20-31-9.5-7, AS AMENDED BY P.L.33-2014,
 32 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JULY 1, 2015]: Sec. 7. (a) If the state board assigns a special
 34 management team, ~~to a school~~; the state board shall enter into a
 35 contract with a special management team. ~~that includes the following~~
 36 ~~provisions:~~ **The terms of the agreement shall specify the following:**
 37 (1) A requirement that the special management team and the
 38 governing body conduct a public meeting two (2) times each year
 39 to provide a report concerning:
 40 (A) student achievement of affected students; and
 41 (B) the condition of the school property and to address issues
 42 related to the school property.



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

3 ~~(2)~~ **(3) A requirement that the student instruction must be**
 4 **provided by teachers licensed under IC 20-28-5; section 7.5 of**
 5 **this chapter.**

6 ~~(3)~~ **A specification that the length of the contract is five (5) years.**

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

9 **(5) Grounds for termination of the agreement, including the**
 10 **right of termination if the special management team fails to**
 11 **do any of the following:**

12 **(A) Comply with the conditions or procedures established**
 13 **in the agreement.**

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

16 **(C) Comply with applicable laws.**

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

19 **(b) The special management team shall have full autonomy to**
 20 **operate the school as provided in the agreement described in**
 21 **subsection (a).**

22 **(c) The term of the contract may not exceed five (5) years. The**
 23 **contract may be extended after the initial term at the direction of**
 24 **the state board.**

25 ~~(b)~~ **(d) Individuals employed by the special management team are**
 26 **entitled to participate in: either:**

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

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

29 **(3) another employee pension or retirement fund.**

30 ~~(c)~~ **(e) Employees of a special management team are not required to**
 31 **organize and collectively bargain under IC 20-29-6.**

32 **SECTION 18. IC 20-31-9.5-7.5 IS ADDED TO THE INDIANA**
 33 **CODE AS A NEW SECTION TO READ AS FOLLOWS**
 34 **[EFFECTIVE JULY 1, 2015]: Sec. 7.5. (a) At least ninety percent**
 35 **(90%) of the individuals who teach full time in a turnaround**
 36 **academy must either:**

37 **(1) hold a license to teach in a public school in Indiana under**
 38 **IC 20-28-5; or**

39 **(2) be in the process of obtaining a license to teach in a public**
 40 **school in Indiana under the transition to teaching program**
 41 **established by IC 20-28-4-2;**

42 **unless the turnaround academy requests and the state board**



1 approves a waiver for a lower percentage.

2 (b) An individual who does not qualify under subsection (a) may
3 teach full time in a turnaround academy if the individual meets one
4 (1) of the following criteria:

5 (1) The individual is in the process of obtaining a license to
6 teach in a turnaround academy in Indiana under
7 IC 20-28-5-16.

8 (2) The individual holds at least a bachelor's degree with a
9 grade point average of at least 3.0 on a 4.0 scale from an
10 accredited postsecondary educational institution in the
11 content or related area in which the individual teaches.

12 The number of individuals qualifying under this subsection may
13 not exceed ten percent (10%) of the full-time teaching staff unless
14 the turnaround academy requests and the state board approves a
15 waiver for a higher percentage.

16 (c) An individual described in subsection (a)(2) must complete
17 the transition to teaching program not later than three (3) years
18 after beginning to teach at a turnaround academy.

19 (d) An individual who holds a part-time teaching position in a
20 turnaround academy must hold at least a bachelor's degree with a
21 grade point average of at least a 3.0 on a 4.0 scale from an
22 accredited postsecondary educational institution in the content or
23 related area in which the individual teaches.

24 (e) An individual who provides to students in a turnaround
25 academy a service:

26 (1) that is not teaching; and

27 (2) for which a license is required under Indiana law;
28 must have the appropriate license to provide the service in Indiana.

29 SECTION 19. IC 20-31-9.5-8 IS REPEALED [EFFECTIVE JULY
30 1, 2015]. Sec. 8: (a) If the state board, upon remand of the Marion
31 County Circuit Court case of Board of School Commissioners of the
32 City of Indianapolis v. Indiana State Board of Education and Indiana
33 Department of Education (cause number 49D03-1206-MI-023257),
34 determines that the Indianapolis public school corporation or any other
35 school corporation is entitled to a distribution to correct the amount
36 that was withheld under IC 20-31-9.5 during July through December
37 2012 from state tuition support and federal funds otherwise to be
38 distributed to the school corporation, the following apply:

39 (1) The state board shall make distributions to the following:

40 (A) The Indianapolis public school corporation;

41 (B) Any other school corporation affected by a redetermination
42 of the amount that was withheld under IC 20-31-9.5 during



July through December 2012:

(2) Before making a distribution to a school corporation under this section, the state board must obtain from the recipient school corporation an agreement that the school corporation will dismiss and not pursue any claims against the state or any state officer or entity, the special management team, or the turnaround academy with regard to distributions received by the special management team or turnaround academy under IC 20-31-9.5 during July through December 2012.

(b) There is appropriated from the state general fund to the state board for the 2012-2013 state fiscal year, seven million four hundred five thousand eight hundred ninety-two dollars (\$7,405,892) to make distributions as provided in subsection (a):

SECTION 20. IC 20-31-9.5-9.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: **Sec. 9.5. (a) A governing body may submit a plan to the state board to create a transformation zone within a school corporation.**

(b) Not later than seventy-five (75) days after receiving a governing body's plan, 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 approved or denied by the state board not later than July 1 of the first year of implementation.

(c) Each plan shall include the following information:

(1) A facilities master plan as described under IC 20-31-9-3.5.

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

(3) 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.

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



1 **(5) A budget demonstrating financial sustainability of the**
 2 **transformation zone without the use of special turnaround**
 3 **funding at the end of the fifth year of operation, with lower**
 4 **amounts of special turnaround funding in the forth and fifth**
 5 **years.**

6 **(6) A description of any regulatory or district policy**
 7 **requirements, subject to the the state board's approval, that**
 8 **the school corporation requires to implement the**
 9 **transformation zone.**

10 **(d) A school within the transformation zone that is not operated**
 11 **by a special management team is not subject to IC 20-29 unless the**
 12 **school voluntarily recognizes an exclusive representative under**
 13 **IC 20-29-5-2. If the school voluntarily recognizes an exclusive**
 14 **representative under IC 20-29-5-2, the school may opt out of**
 15 **bargaining allowable subjects or discussing discussion items by**
 16 **specifying the excluded items on the notice required under**
 17 **IC 20-29-5-2(b). Such notice must be provided to the education**
 18 **employment relations board at the time of the notice's posting.**

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

22 SECTION 21. IC 20-31-9.5-10 IS ADDED TO THE INDIANA
 23 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 24 [EFFECTIVE JULY 1, 2015]: **Sec. 10. (a) The state board may make**
 25 **grants to turnaround academies from the turnaround grant fund**
 26 **established in subsection (b), including any school within a**
 27 **transformation zone, for the purpose of improving student and**
 28 **school performance.**

29 **(b) The turnaround grant fund is established for the purpose of**
 30 **providing grants under subsection (a). The turnaround grant fund**
 31 **shall be administered by the state board.**

32 **(c) The turnaround grant fund consists of:**

33 **(1) appropriations made by the general assembly; or**

34 **(2) gifts.**

35 **(d) The state treasurer shall invest money in the turnaround**
 36 **grant fund not currently needed to meet the obligations of the fund.**

37 SECTION 22. IC 20-31-9.5-11 IS ADDED TO THE INDIANA
 38 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 39 [EFFECTIVE JULY 1, 2015]: **Sec. 11. (a) At the time of the initial**
 40 **intervention or at any point during the intervention, the state**
 41 **board may approve a written request from a special management**
 42 **team to:**



- 1 **(1) serve students in grades outside of the original school**
- 2 **configuration in the facility occupied by the special**
- 3 **management team; and**
- 4 **(2) operate a charter school managed by the special**
- 5 **management team within the same facility;**
- 6 **if the state board determines that academic outcomes or financial**
- 7 **sustainability of the turnaround academy will improve through**
- 8 **implementing the request.**
- 9 **(b) A written request under subsection (a) shall include all of the**
- 10 **following:**
- 11 **(1) An analysis of any building modifications that would be**
- 12 **necessary to serve various ages of students and corporation**
- 13 **approval of the modifications.**
- 14 **(2) Plans for ensuring safety of younger aged students when**
- 15 **the younger students are in shared space with older students.**
- 16 **(3) Specific year-by-year academic goals for the original**
- 17 **affected students and the additional grade levels of students,**
- 18 **disaggregated by grade.**
- 19 **(c) The state board shall hold a public hearing, located in the**
- 20 **facility proposed to be used, prior to approval of any request made**
- 21 **under this section.**

