



February 17, 2015

HOUSE BILL No. 1638

DIGEST OF HB 1638 (Updated February 17, 2015 1:06 pm - DI 113)

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

Synopsis: School transformation zones. Makes various changes to the consequences for failing schools. Changes the timeline, from six years to four years, for state intervention for a school initially placed in the lowest category or designation of school improvement after June 30, 2015. Makes various changes to the provisions relating to management of turnaround academes 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. Provides that a school may not offer any type of redeemable gift card having a monetary value to a student or parent or legal guardian of a student in exchange for enrolling at the school. 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. Makes technical corrections.

Effective: July 1, 2015.

Behning

January 22, 2015, read first time and referred to Committee on Education.
February 10, 2015, amended, reported — Do Pass. Referred to Committee on Ways and Means pursuant to Rule 127.
February 17, 2015, amended, reported — Do Pass.

HB 1638—LS 7321/DI 116



February 17, 2015

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.

HB 1638—LS 7321/DI 116



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 20-19-3-15 IS ADDED TO THE INDIANA CODE
7 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
8 1, 2015]: **Sec. 15. (a) As used in this section, "school" means any of**
9 **the following:**

10 **(1) A school corporation.**

11 **(2) A charter school, including a conversion charter school or**
12 **a virtual charter school.**

13 **(3) A nonpublic school that has any students enrolled who**
14 **receive a choice scholarship under IC 20-51-4.**

15 **(b) A school may not offer or give, as an enrollment incentive,**
16 **any type of redeemable gift card having monetary value (such as**
17 **a gift card that may be used at a retail store, grocery store, online**
18 **store, or other commercial enterprise) to:**

19 **(1) a prospective student (or the parent or legal guardian of a**
20 **prospective student) in exchange for enrolling the prospective**
21 **student at the school; or**

22 **(2) any person in exchange for referring a prospective student**
23 **to the school.**

24 SECTION 3. IC 20-31-2-7, AS ADDED BY P.L.1-2005, SECTION
25 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,
26 2015]: **Sec. 7. "Plan" refers to any of the following:**

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

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

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

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

36 SECTION 4. IC 20-31-2-9, AS ADDED BY P.L.229-2011,
37 SECTION 186, IS AMENDED TO READ AS FOLLOWS
38 [EFFECTIVE JULY 1, 2015]: **Sec. 9. "Special management team"**
39 **means an entity that manages a turnaround academy in whole or in**
40 **part, including within a transformation zone.**

41 SECTION 5. IC 20-31-2-9.5 IS ADDED TO THE INDIANA CODE
42 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY



1, 2015]: **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 6. IC 20-31-9-3, AS AMENDED BY P.L.229-2011, SECTION 188, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 3. (a) This section applies if:

(1) **for a school initially placed in the lowest category or designation before July 1, 2015**, in the third year after initial placement in the lowest category or designation, a school still remains in the lowest category or designation; **or**

(2) **for a school initially placed in the lowest category or designation after June 30, 2015, in the year after the year in which the school is initially placed in the lowest category or designation, a school remains in the lowest category or designation.**

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

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

(2) may include:

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

(B) special consultants or advisers.

(c) The expert team shall:

(1) assist the school in revising the school's plan; and

(2) recommend changes in the school that will promote improvement, including the reallocation of resources or requests for technical assistance.

(d) The governing body of the school corporation in which a school to which this section applies is located may petition the state board to immediately restructure the school by presenting a written plan to the state board setting forth the proposed intervention for the school. If the state board approves the petition and accepts the plan, the school

(1) operates under the applicable provisions of IC 20-31-9.5; and

(2) is carried forward in the same performance category or designation in which the school is placed at the time the state board accepts the plan.

SECTION 7. IC 20-31-9-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: **Sec. 3.5. (a) This section applies to a school initially placed**



1 in the lowest category or designation after June 30, 2015, if, in the
 2 second year after initial placement in the lowest category or
 3 designation, a school still remains in the lowest category or
 4 designation.

5 (b) A school corporation must conduct a school corporation
 6 wide assessment of facilities use and prepare a facilities master
 7 plan to:

8 (1) ensure optimal use of facilities; and

9 (2) identify which schools should be closed, repurposed, or
 10 renovated.

11 (c) The plan described in subsection (b) shall be submitted to the
 12 state board not later than May 1 in the third year that the school
 13 is placed in the lowest performance category or designation to
 14 inform the state board's intervention decision in the fourth year as
 15 described under IC 20-31-9-4.

16 (d) The state board may require an updated facilities master
 17 plan from the school corporation within the intervention period to
 18 assist the state board with fulfilling the state board's duties under
 19 this chapter.

20 SECTION 8. IC 20-31-9-4, AS AMENDED BY P.L.229-2011,
 21 SECTION 189, IS AMENDED TO READ AS FOLLOWS
 22 [EFFECTIVE JULY 1, 2015]: Sec. 4. (a) This section applies if:

23 (1) for a school initially placed in the lowest category or
 24 designation of school improvement before July 1, 2015, in the
 25 fifth year after initial placement in the lowest category or
 26 designation, a school still remains in the lowest category or
 27 designation; or

28 (2) for a school initially placed in the lowest category or
 29 designation of school improvement after June 30, 2015, in the
 30 third year after initial placement in the lowest category or
 31 designation, a school remains in the lowest category or
 32 designation.

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

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

37 (A) Merging the school with a nearby school that is in a higher
 38 category.

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

41 (C) Approving the school corporation's plan to improve
 42 the school through creation of a transformation zone.



- 1 **(D) Approving the school corporation's plan to improve**
 2 **the school through creation of an innovation network**
 3 **school under IC 20-25.5-4.**
 4 ~~(E)~~ **(E)** The department's recommendations for improving the
 5 school.
 6 ~~(F)~~ **(F)** Other options for school improvement expressed at the
 7 public hearing, ~~including~~
 8 **(G)** Closing the school.
 9 ~~(E)~~ **(E)** Revising the school's plan in any of the following areas:
 10 (i) Changes in school procedures or operations.
 11 (ii) Professional development.
 12 (iii) Intervention for individual teachers or administrators.
 13 (2) If the state board determines that intervention will improve the
 14 school, implement at least one (1) of the options listed in
 15 subdivision (1).
 16 (c) Unless the school is closed or merged, a school that is subject to
 17 improvement under this section becomes a turnaround academy under
 18 IC 20-31-9.5.
 19 **(d) A school corporation shall provide an updated facilities**
 20 **master plan and an asset plan inventory for the school to the state**
 21 **board by September 1 following the fourth consecutive year in the**
 22 **lowest performance category or designation.**
 23 SECTION 9. IC 20-31-9-5 IS ADDED TO THE INDIANA CODE
 24 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 25 1, 2015]: **Sec. 5. (a) This section applies to a school corporation**
 26 **initially placed in the lowest category or designation after June 30,**
 27 **2015, if, in the fourth year after a school corporation is initially**
 28 **placed in the lowest category or designation, the school corporation**
 29 **remains in the lowest category or designation.**
 30 **(b) The state board shall hold at least one (1) public hearing in**
 31 **the school corporation to take testimony concerning the feasibility**
 32 **of taking any of the following actions for providing a quality**
 33 **education to the affected students in the school corporation:**
 34 **(1) Assigning a special management team to operate all or**
 35 **part of the school corporation.**
 36 **(2) Assigning a special management team to develop a**
 37 **transformation zone plan and assist the school corporation**
 38 **with implementing the plan.**
 39 **(3) Implementing the department's recommendations for**
 40 **improving the school corporation.**
 41 **(4) Filing a petition with the distressed unit appeal board**
 42 **established under IC 6-1.1-20.3 seeking to have the school**



1 corporation designated as a distressed political subdivision.
 2 The distressed unit appeal board may designate the school
 3 corporation as a distressed political subdivision under
 4 IC 6-1.1-20.3-6.5 solely on the basis of the petition of the state
 5 board notwithstanding IC 6-1.1-20.3-6.

6 (c) Notwithstanding any other law, if the state board determines
 7 that taking at least one (1) of the actions listed in subsection (b) will
 8 improve the school corporation, the state board may take the
 9 action listed under subsection (b) that the state board determines
 10 is appropriate.

11 SECTION 10. IC 20-31-9-6 IS ADDED TO THE INDIANA CODE
 12 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 13 1, 2015]: Sec. 6. (a) Not later than December 31 of the fifth year of
 14 an intervention under section 4 of this chapter, the state board
 15 shall take one (1) of the following actions:

16 (1) Return the school to the school corporation for operation
 17 if the state board determines that the school corporation
 18 demonstrates the ability to successfully operate the school
 19 upon return.

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

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

24 (b) In making a determination under this section, the state
 25 board shall consider all relevant factors, including the overall
 26 performance of the school corporation and the special management
 27 team.

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

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

39 SECTION 11. IC 20-31-9-7 IS ADDED TO THE INDIANA CODE
 40 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 41 1, 2015]: Sec. 7. (a) Not later than December 31 of the fifth year of
 42 intervention under section 5 of this chapter, the state board shall



1 take one (1) of the following actions:

2 (1) End state directed intervention at the school corporation
3 if the state board determines that the school corporation
4 demonstrates the ability to successfully operate without such
5 intervention.

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

8 (b) In making a determination under this section, the state
9 board shall consider all relevant factors, including the overall
10 academic performance and financial stability of the school
11 corporation.

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

16 SECTION 12. IC 20-31-9-9 IS REPEALED [EFFECTIVE JULY 1,
17 2015]. Sec. 9: (a) Not later than December 31 of the fifth year of an
18 intervention under this chapter, the state board shall take one (1) of the
19 following actions:

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

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

23 (3) Implement a new intervention under section 4(b) of this
24 chapter.

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

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

33 (d) If the state board directs the special management team to apply
34 for charter school status under subsection (a)(2), the school is entitled
35 to continue to use the school's facilities in the same manner as a charter
36 school that acquires school facilities under IC 20-26-7-1 is entitled to
37 use school facilities.

38 SECTION 13. IC 20-31-9.5-0.5 IS ADDED TO THE INDIANA
39 CODE AS A NEW SECTION TO READ AS FOLLOWS
40 [EFFECTIVE JULY 1, 2015]: **Sec. 0.5. (a) The state board may enter
41 into any contracts necessary to implement IC 20-31-9 and this
42 chapter.**



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

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

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

7 SECTION 14. IC 20-31-9.5-1, AS ADDED BY P.L.229-2011,
 8 SECTION 190, IS AMENDED TO READ AS FOLLOWS
 9 [EFFECTIVE JULY 1, 2015]: Sec. 1. (a) None of the following may be
 10 considered a school employer under ~~IC 20-29-6~~ **IC 20-29-2-15** with
 11 respect to a turnaround academy:

12 (1) The state.

13 (2) The state board.

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

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

22 SECTION 15. IC 20-31-9.5-2, AS ADDED BY P.L.229-2011,
 23 SECTION 190, IS AMENDED TO READ AS FOLLOWS
 24 [EFFECTIVE JULY 1, 2015]: Sec. 2. (a) If the state board assigns a
 25 special management team under IC 20-31-9-4 to operate a school as a
 26 turnaround academy, for as long as the special management team
 27 operates the turnaround academy **the following requirements apply:**

28 (1) The special management team shall ~~continue to use the school~~
 29 ~~building, the accompanying real property, and the building's~~
 30 ~~contents, equipment, and supplies; and have the right to use any~~
 31 **school building and all facilities and property otherwise part**
 32 **of the school and recognized as part of the facilities or assets**
 33 **of the school prior to its placement as a turnaround academy,**
 34 **including the building's contents, equipment, and supplies,**
 35 **and shall have access to such additional facilities as were**
 36 **typically available to the school and its students, faculty, and**
 37 **staff prior to its placement in the district. The special**
 38 **management team shall maintain and repair the buildings and**
 39 **grounds in a manner that is at least consistent with the**
 40 **maintenance and repair of the other buildings and grounds**
 41 **within the school corporation.**

42 (2) ~~the school corporation shall continue to:~~



1 (A) provide transportation for students attending the
 2 turnaround academy at the same level of service the school
 3 corporation provided before the school became a turnaround
 4 academy; and

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

8 The school corporation shall consult with The special
 9 management team ~~regarding these matters.~~ **shall receive, control,**
 10 **and expend the local funding for the school. The amount of**
 11 **local dollars shall be calculated by the department of local**
 12 **government finance on the basis of student enrollment for**
 13 **students attending that school who live in the taxing unit other**
 14 **than the amount obligated to pay for existing debt service.**
 15 **The school corporation shall remit this amount to the special**
 16 **management team at a frequency determined by the state**
 17 **board in consultation with the department and the school**
 18 **corporation.**

19 (3) The special management team shall either:

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

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

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

28 (b) The school corporation shall:

29 (1) take no action adverse to the special management team's
 30 operation of the school, including, but not limited to taking no
 31 action to dispose of or cloud the title of the real property on
 32 which the school is located, or removing or disposing of
 33 personal property located in or assigned to the school; and

34 (2) not later than forty-five (45) days after the state board
 35 executes a contract with a special management team under
 36 section 7 of this chapter, provide to the special management
 37 team all student records and other data for the students who
 38 attended the school immediately prior to the school qualifying
 39 for intervention under IC 20-31-9.

40 (c) If the special management team contracts with a school
 41 corporation for goods or services, the school corporation may not
 42 charge the special management team more for the goods or services



1 than the school corporation pays for the goods or services.

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

5 **(1) to withhold from the school corporation additional state**
 6 **funds otherwise to be distributed to the school corporation;**
 7 **and**

8 **(2) to distribute those funds to the special management team;**
 9 **in order to permit the special management team to operate the**
 10 **school notwithstanding the school corporation's prohibited or**
 11 **refused action under subsection (b) or (c).**

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

15 SECTION 16. IC 20-31-9.5-3, AS ADDED BY P.L.229-2011,
 16 SECTION 190, IS AMENDED TO READ AS FOLLOWS
 17 [EFFECTIVE JULY 1, 2015]: Sec. 3. (a) Turnaround academies are
 18 eligible to receive building and technology loans administered by the
 19 state board from the common school fund.

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

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

29 (d) The department shall do the following:

30 **(1) Present recommendations for state tuition support and**
 31 **federal funding amounts to the state board prior to the start**
 32 **of each fiscal year for each year during the intervention at a**
 33 **schedule determined by the state board.**

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

40 ~~(2)~~ **(2)** Enter into any contracts necessary to implement the options
 41 for improvement implemented for the school by the state board,
 42 including contracts with a special management team assigned



1 under IC 20-31-9-4 to operate the school as a turnaround
2 academy:

3 (3) Make payments under the contracts entered into **by the state**
4 **board** under ~~subdivision (2)~~ **this chapter** with funds withheld
5 from the school corporation under subdivision ~~(1)~~: **(2)**.

6 SECTION 17. IC 20-31-9.5-5, AS ADDED BY P.L.229-2011,
7 SECTION 190, IS AMENDED TO READ AS FOLLOWS
8 [EFFECTIVE JULY 1, 2015]: Sec. 5. (a) The executive of a city or
9 county in which one (1) or more turnaround academies are located may
10 petition the state board to oversee the special management team. The
11 petition must include the following:

12 (1) The names of one (1) or more turnaround academies located
13 within the executive's jurisdiction for which the executive wishes
14 to conduct oversight.

15 (2) The functions the executive wishes to perform.

16 (3) Information on how and by whom those functions will be
17 carried out.

18 (b) The state board may approve or not approve a petition under this
19 section in whole or part.

20 **(c) This section expires on July 1, 2015.**

21 SECTION 18. IC 20-31-9.5-7, AS AMENDED BY P.L.33-2014,
22 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 JULY 1, 2015]: Sec. 7. (a) If the state board assigns a special
24 management team, ~~to a school~~; the state board shall enter into a
25 contract with a special management team. ~~that includes the following~~
26 ~~provisions:~~ **The terms of the agreement shall specify the following:**

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

30 (A) student achievement of affected students; and

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

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

35 ~~(2)~~ **(3) A requirement that the student instruction must be**
36 **provided by teachers licensed under IC 20-28-5: section 7.5 of**
37 **this chapter.**

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

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

41 **(5) Grounds for termination of the agreement, including the**
42 **right of termination if the special management team fails to**



- 1 **do any of the following:**
- 2 **(A) Comply with the conditions or procedures established**
- 3 **in the agreement.**
- 4 **(B) Meet the state's financial management and government**
- 5 **accounting requirements.**
- 6 **(C) Comply with applicable laws.**
- 7 **(D) Meet the performance goals and accountability metrics**
- 8 **agreed upon under subdivision (4).**
- 9 **(b) The special management team shall have full autonomy to**
- 10 **operate the school as provided in the agreement described in**
- 11 **subsection (a).**
- 12 **(c) The term of the contract may not exceed five (5) years. The**
- 13 **contract may be extended after the initial term at the direction of**
- 14 **the state board.**
- 15 ~~(b)~~ **(d) Individuals employed by the special management team are**
- 16 **entitled to participate in: either:**
- 17 **(1) the state teachers' retirement fund created by IC 5-10.4; or**
- 18 **(2) the public employees' retirement fund created by IC 5-10.3; or**
- 19 **(3) another employee pension or retirement fund.**
- 20 ~~(c)~~ **(e) Employees of a special management team are not required to**
- 21 **organize and collectively bargain under IC 20-29-6.**
- 22 SECTION 19. IC 20-31-9.5-7.5 IS ADDED TO THE INDIANA
- 23 CODE AS A NEW SECTION TO READ AS FOLLOWS
- 24 [EFFECTIVE JULY 1, 2015]: **Sec. 7.5. (a) At least ninety percent**
- 25 **(90%) of the individuals who teach full time in a turnaround**
- 26 **academy must either:**
- 27 **(1) hold a license to teach in a public school in Indiana under**
- 28 **IC 20-28-5; or**
- 29 **(2) be in the process of obtaining a license to teach in a public**
- 30 **school in Indiana under the transition to teaching program**
- 31 **established by IC 20-28-4-2;**
- 32 **unless the turnaround academy requests and the state board**
- 33 **approves a waiver for a lower percentage.**
- 34 **(b) An individual who does not qualify under subsection (a) may**
- 35 **teach full time in a turnaround academy if the individual meets one**
- 36 **(1) of the following criteria:**
- 37 **(1) The individual is in the process of obtaining a license to**
- 38 **teach in a turnaround academy in Indiana under**
- 39 **IC 20-28-5-16.**
- 40 **(2) The individual holds at least a bachelor's degree with a**
- 41 **grade point average of at least 3.0 on a 4.0 scale from an**
- 42 **accredited postsecondary educational institution in the**



1 **content or related area in which the individual teaches.**
 2 **The number of individuals qualifying under this subsection may**
 3 **not exceed ten percent (10%) of the full-time teaching staff unless**
 4 **the turnaround academy requests and the state board approves a**
 5 **waiver for a higher percentage.**

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

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

14 **(e) An individual who provides to students in a turnaround**
 15 **academy a service:**

16 **(1) that is not teaching; and**

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

19 SECTION 20. IC 20-31-9.5-8 IS REPEALED [EFFECTIVE JULY
 20 1, 2015]. Sec. 8: (a) If the state board, upon remand of the Marion
 21 County Circuit Court case of Board of School Commissioners of the
 22 City of Indianapolis v. Indiana State Board of Education and Indiana
 23 Department of Education (cause number 49D03-1206-MI-023257),
 24 determines that the Indianapolis public school corporation or any other
 25 school corporation is entitled to a distribution to correct the amount
 26 that was withheld under IC 20-31-9.5 during July through December
 27 2012 from state tuition support and federal funds otherwise to be
 28 distributed to the school corporation, the following apply:

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

30 (A) The Indianapolis public school corporation:

31 (B) Any other school corporation affected by a redetermination
 32 of the amount that was withheld under IC 20-31-9.5 during
 33 July through December 2012.

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

42 (b) There is appropriated from the state general fund to the state



1 board for the 2012-2013 state fiscal year; seven million four hundred
 2 five thousand eight hundred ninety-two dollars (\$7,405,892) to make
 3 distributions as provided in subsection (a).

4 SECTION 21. IC 20-31-9.5-9.5 IS ADDED TO THE INDIANA
 5 CODE AS A NEW SECTION TO READ AS FOLLOWS
 6 [EFFECTIVE JULY 1, 2015]: **Sec. 9.5. (a) The governing body of a**
 7 **school that has been placed in the lowest two (2) categories or**
 8 **designations may submit a plan to the state board to create a**
 9 **transformation zone within the school corporation.**

10 (b) Not later than seventy-five (75) days after receiving a
 11 governing body's plan, the state board shall grant the designation
 12 as a transformation zone unless the state board concludes that the
 13 submitted plan does not substantially meet the criteria set forth in
 14 this section. All plans must be approved or denied by the state
 15 board not later than July 1 of the first year of implementation.

16 (c) Each plan shall include the following information:

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

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

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

23 (A) innovations in school staffing;

24 (B) curriculum and nonmandated assessments;

25 (C) class scheduling;

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

27 (E) the use of financial and other resources;

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

30 (G) other innovations.

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

34 (5) A budget demonstrating financial sustainability of the
 35 transformation zone without the use of special turnaround
 36 funding at the end of the fifth year of operation, with lower
 37 amounts of special turnaround funding in the fourth and fifth
 38 years.

39 (6) A description of any regulatory or district policy
 40 requirements, subject to the the state board's approval, that
 41 the school corporation requires to implement the
 42 transformation zone.



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

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

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

- 19 (1) serve students in grades outside of the original school
 20 configuration in the facility occupied by the special
 21 management team; and
- 22 (2) operate a charter school managed by the special
 23 management team within the same facility;

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

27 (b) A written request under subsection (a) shall include all of the
 28 following:

- 29 (1) An analysis of any building modifications that would be
 30 necessary to serve various ages of students and corporation
 31 approval of the modifications.
- 32 (2) Plans for ensuring safety of younger aged students when
 33 the younger students are in shared space with older students.
- 34 (3) Specific year-by-year academic goals for the original
 35 affected students and the additional grade levels of students,
 36 disaggregated by grade.

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



COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1638, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, delete lines 29 through 42, begin a new paragraph and insert:

"SECTION 5. IC 20-31-9-3, AS AMENDED BY P.L.229-2011, SECTION 188, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 3. (a) This section applies if:

- (1) for a school initially placed in the lowest category or designation before July 1, 2015, in the third year after initial placement in the lowest category or designation, a school still remains in the lowest category or designation; or**
- (2) for a school initially placed in the lowest category or designation after June 30, 2015, in the year after the year in which the school is initially placed in the lowest category or designation, a school remains in the lowest category or designation.**

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

- (1) must include representatives from the community or region that the school serves; and
- (2) may include:
 - (A) school superintendents, members of governing bodies, and teachers from school corporations that are in high categories or designations; and
 - (B) special consultants or advisers.

(c) The expert team shall:

- (1) assist the school in revising the school's plan; and
- (2) recommend changes in the school that will promote improvement, including the reallocation of resources or requests for technical assistance.

(d) The governing body of the school corporation in which a school to which this section applies is located may petition the state board to immediately restructure the school by presenting a written plan to the state board setting forth the proposed intervention for the school. If the state board approves the petition and accepts the plan, the school

- (1) operates under the applicable provisions of IC 20-31-9.5; and
- (2) is carried forward in the same performance category or designation in which the school is placed at the time the state



board accepts the plan."

Page 3, delete lines 1 through 15.

Page 3, line 18, after "applies" insert "**to a school initially placed in the lowest category or designation after June 30, 2015,**".

Page 3, line 19, delete "two (2) categories or designations," and insert "**category or designation,**".

Page 3, line 20, delete "two (2) categories or" and insert "**category or designation.**".

Page 3, delete line 21.

Page 3, line 30, delete "two (2) performance categories or" and insert "**performance category or**".

Page 3, line 31, delete "designations" and insert "**designation**".

Page 3, delete lines 37 through 42, begin a new paragraph and insert:

"SECTION 7. IC 20-31-9-4, AS AMENDED BY P.L.229-2011, SECTION 189, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 4. (a) This section applies if:

(1) for a school initially placed in the lowest category or designation of school improvement before July 1, 2015, in the fifth year after initial placement in the lowest category or designation, a school still remains in the lowest category or designation; or

(2) for a school initially placed in the lowest category or designation of school improvement after June 30, 2015, in the third year after initial placement in the lowest category or designation, a school remains in the lowest category or designation.

(b) The state board shall do the following:

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

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

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

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

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

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



~~(D)~~ (F) Other options for school improvement expressed at the public hearing. ~~including~~

(G) Closing the school.

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

(i) Changes in school procedures or operations.

(ii) Professional development.

(iii) Intervention for individual teachers or administrators.

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

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

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

Page 4, delete lines 1 through 33.

Page 4, line 36, after "applies" insert **"to a school corporation initially placed in the lowest category or designation after June 30, 2015,"**.

Page 5, line 24, delete "this chapter," and insert **"section 4 of this chapter,"**.

Page 13, line 16, delete "A governing body may" and insert **"The governing body of a school that has been placed in the lowest two (2) categories or designations may submit a plan to the state board to create a transformation zone within the school corporation."**

Page 13, delete lines 17 through 18.

Page 14, line 26, delete ", including" and insert **"or to"**.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1638 as introduced.)

BEHNING

Committee Vote: yeas 7, nays 3.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1638, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, between lines 5 and 6, begin a new paragraph and insert:

"SECTION 2. IC 20-19-3-15 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: **Sec. 15. (a) As used in this section, "school" means any of the following:**

(1) A school corporation.

(2) A charter school, including a conversion charter school or a virtual charter school.

(3) A nonpublic school that has any students enrolled who receive a choice scholarship under IC 20-51-4.

(b) A school may not offer or give, as an enrollment incentive, any type of redeemable gift card having monetary value (such as a gift card that may be used at a retail store, grocery store, online store, or other commercial enterprise) to:

(1) a prospective student (or the parent or legal guardian of a prospective student) in exchange for enrolling the prospective student at the school; or

(2) any person in exchange for referring a prospective student to the school."

Page 5, line 4, delete "two (2) performance categories or designations." and insert "**performance category or designation.**".

Page 14, delete lines 37 through 42.

Page 15, delete lines 1 through 9.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1638 as printed February 10, 2015.)

BROWN T

Committee Vote: yeas 11, nays 5.

