



April 10, 2015

ENGROSSED HOUSE BILL No. 1638

DIGEST OF HB 1638 (Updated April 9, 2015 12:04 pm - DI 120)

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

Synopsis: State intervention in 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, 2016. Makes various changes to the provisions relating to management of turnaround academes by special management teams. Provides that a school may not offer any item of monetary value to a student or the parent 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

(SENATE SPONSORS — KRUSE, YODER, MILLER PETE, ROGERS)

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.
February 19, 2015, read second time, ordered engrossed. Engrossed.
February 25, 2015, read third time, passed. Yeas 66, nays 31.

SENATE ACTION

March 2, 2015, read first time and referred to Committee on Education & Career Development.
April 2, 2015, amended, reported favorably — Do Pass; reassigned to Committee on Appropriations.
April 9, 2015, amended, reported favorably — Do Pass.

EH 1638—LS 7321/DI 116



April 10, 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.

ENGROSSED 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 20-19-3-15 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2015]: **Sec. 15. (a) This section does not apply to a school
4 promotional item that has minimal monetary value.**
5 **(b) As used in this section, "school" means any of the following:**
6 **(1) A school corporation.**
7 **(2) A charter school, including a conversion charter school or
8 a virtual charter school.**
9 **(3) A nonpublic school that has any students enrolled who
10 receive a choice scholarship under IC 20-51-4.**
11 **(c) A school may not offer or give, as an enrollment incentive,
12 any item that has monetary value, including cash or a gift card that
13 may be used at a retail store, grocery store, online store, or other
14 commercial enterprise, to:**
15 **(1) a prospective student (or the parent of a prospective**

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- 1 **student) in exchange for enrolling the prospective student at**
 2 **the school; or**
 3 **(2) any person in exchange for referring a prospective student**
 4 **to the school.**

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

- 8 **(1) A strategic and continuous school improvement and**
 9 **achievement plan established under this article for a school or**
 10 **school corporation.**
 11 **(2) A plan to establish an innovation network school to**
 12 **improve school performance under IC 20-25.5.**

13 SECTION 3. IC 20-31-2-9, AS ADDED BY P.L.229-2011,
 14 SECTION 186, IS AMENDED TO READ AS FOLLOWS
 15 [EFFECTIVE JULY 1, 2015]: Sec. 9. "Special management team"
 16 means an entity that manages a turnaround academy **in whole or in**
 17 **part.**

18 SECTION 4. IC 20-31-9-3, AS AMENDED BY P.L.229-2011,
 19 SECTION 188, IS AMENDED TO READ AS FOLLOWS
 20 [EFFECTIVE JULY 1, 2015]: Sec. 3. (a) This section applies if:

- 21 **(1) for a school initially placed in the lowest category or**
 22 **designation before July 1, 2016, in the third year after initial**
 23 **placement in the lowest category or designation, a school still**
 24 **remains in the lowest category or designation; or**
 25 **(2) for a school initially placed in the lowest category or**
 26 **designation after June 30, 2016, in the year after the year in**
 27 **which the school is initially placed in the lowest category or**
 28 **designation, a school remains in the lowest category or**
 29 **designation.**

30 (b) The state board ~~shall~~ **may** establish and assign an expert team
 31 to the school. The expert team:

- 32 (1) must include representatives from the community or region
 33 that the school serves; and
 34 (2) may include:
 35 (A) school superintendents, members of governing bodies, and
 36 teachers from school corporations that are in high categories
 37 or designations; and
 38 (B) special consultants or advisers.
 39 (c) The expert team shall:
 40 (1) assist the school in revising the school's plan; and
 41 (2) recommend changes in the school that will promote
 42 improvement, including the reallocation of resources or requests



- 1 for technical assistance.
- 2 (d) The governing body of the school corporation in which a school
- 3 to which this section applies is located may petition the state board to
- 4 immediately restructure the school by presenting a written plan to the
- 5 state board setting forth the proposed intervention for the school. If the
- 6 state board approves the petition and accepts the plan, the school
- 7 (1) operates under the applicable provisions of IC 20-31-9.5; and
- 8 (2) is carried forward in the same performance category or
- 9 designation in which the school is placed at the time the state
- 10 board accepts the plan.
- 11 SECTION 5. IC 20-31-9-4, AS AMENDED BY P.L.229-2011,
- 12 SECTION 189, IS AMENDED TO READ AS FOLLOWS
- 13 [EFFECTIVE JULY 1, 2015]: Sec. 4. (a) This section applies if:
- 14 **(1) for a school initially placed in the lowest category or**
- 15 **designation of school improvement before July 1, 2016, in the**
- 16 **fifth year after initial placement in the lowest category or**
- 17 **designation, a school still remains in the lowest category or**
- 18 **designation; or**
- 19 **(2) for a school initially placed in the lowest category or**
- 20 **designation of school improvement after June 30, 2016, in the**
- 21 **third year after initial placement in the lowest category or**
- 22 **designation, a school remains in the lowest category or**
- 23 **designation.**
- 24 (b) The state board shall do the following:
- 25 (1) Hold at least one (1) public hearing in the school corporation
- 26 where the school is located to consider and hear testimony
- 27 concerning the following options for school improvement:
- 28 (A) Merging the school with a nearby school that is in a higher
- 29 category.
- 30 (B) Assigning a special management team to operate all or
- 31 part of the school.
- 32 **(C) Approving the school corporation's plan to improve**
- 33 **the school through creation of an innovation network**
- 34 **school under IC 20-25.5-4.**
- 35 ~~(D)~~ **(D)** The department's recommendations for improving the
- 36 school.
- 37 ~~(E)~~ **(E)** Other options for school improvement expressed at the
- 38 public hearing. ~~including~~
- 39 **(F)** Closing the school.
- 40 ~~(E)~~ **(E)** Revising the school's plan in any of the following areas:
- 41 ~~(i)~~ **(i)** Changes in school procedures or operations.
- 42 ~~(ii)~~ **(ii)** Professional development.



1 (iii) Intervention for individual teachers or administrators.

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

5 (3) **The state board may delay interventions under this section
6 for one (1) year if the affected school demonstrates that,
7 despite remaining in the lowest category or designation, a
8 majority of students in the school demonstrated academic
9 improvement during the preceding school year.**

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

13 (d) **For a school initially placed in the lowest category or
14 designation of school improvement after June 30, 2016, the school
15 corporation shall provide a facilities master plan and an asset
16 inventory for the school to the state board by December 31
17 following the fourth consecutive year in the lowest performance
18 category or designation.**

19 (e) **The following procedures apply if the state board determines
20 that a school should be closed under subsection (b)(1)(F):**

21 (1) **The state board shall request from the school corporation
22 an alternative plan to the closure of the school. The school
23 corporation shall provide the plan within sixty (60) days of the
24 state board's request.**

25 (2) **At least two-thirds (2/3) of all members of the board must
26 vote to close the school.**

27 (3) **If the state board votes to close the school, the state board
28 shall approve a student reassignment plan after receiving
29 recommendations from the school corporation.**

30 SECTION 6. IC 20-31-9-6 IS ADDED TO THE INDIANA CODE
31 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
32 1, 2015]: **Sec. 6. (a) Not later than December 31 of the fifth year of
33 an intervention under section 4 of this chapter, the state board
34 shall take one (1) of the following actions:**

35 (1) **Return the school to the school corporation for operation
36 if the state board determines that the school corporation
37 demonstrates the ability to successfully operate the school
38 upon return.**

39 (2) **Direct the special management team to apply to a charter
40 school authorizer for charter school status for the school.**

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



1 **(4) Adopt a plan recommended by the department.**

2 **(b) In making a determination under this section, the state**
 3 **board shall consider all relevant factors, including the overall**
 4 **performance of the school corporation and the special management**
 5 **team.**

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

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

17 SECTION 7. IC 20-31-9-9 IS REPEALED [EFFECTIVE JULY 1,
 18 2015]. Sec. 9: (a) Not later than December 31 of the fifth year of an
 19 intervention under this chapter, the state board shall take one (1) of the
 20 following actions:

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

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

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

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

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

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

39 SECTION 8. IC 20-31-9.5-0.5 IS ADDED TO THE INDIANA
 40 CODE AS A NEW SECTION TO READ AS FOLLOWS
 41 [EFFECTIVE JULY 1, 2015]: **Sec. 0.5. (a) The state board may**
 42 **require the department to report to the state board regarding the**



1 **implementation of a recommended plan under IC 20-31-9 and this**
 2 **chapter.**

3 **(b) The state board may require the department to report to the**
 4 **state board regarding implementation of a recommended plan.**

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

10 (1) The state.

11 (2) The state board.

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

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

20 SECTION 10. IC 20-31-9.5-2, AS ADDED BY P.L.229-2011,
 21 SECTION 190, IS AMENDED TO READ AS FOLLOWS
 22 [EFFECTIVE JULY 1, 2015]: Sec. 2. (a) If the state board, **with**
 23 **agreement by the department**, assigns a special management team
 24 under IC 20-31-9-4 to operate a school as a turnaround academy, for as
 25 long as the special management team operates the turnaround academy
 26 **the following requirements apply:**

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

41 (2) the school corporation shall continue to:

42 (A) provide transportation for students attending the



- 1 turnaround academy at the same level of service the school
2 corporation provided before the school became a turnaround
3 academy; and
4 **(B) maintain and repair the buildings and grounds consistent**
5 **with the maintenance and repair to the school corporation's**
6 **other buildings and grounds.**
- 7 The school corporation shall consult with The special
8 management team ~~regarding these matters.~~ **shall receive, control,**
9 **and expend the local funding for the school. The amount of**
10 **local dollars shall be calculated by the department of local**
11 **government finance on the basis of student enrollment for**
12 **students attending that school who live in the taxing unit other**
13 **than the amount obligated to pay for existing debt service.**
14 **The school corporation shall remit this amount to the special**
15 **management team at a frequency determined by the state**
16 **board in consultation with the department and the school**
17 **corporation.**
- 18 **(3) The special management team shall either:**
- 19 **(A) provide transportation for students attending the**
20 **turnaround academy; or**
- 21 **(B) contract with the school corporation to provide**
22 **transportation for students attending the turnaround**
23 **academy.**
- 24 **Transportation must be provided at the same level of service**
25 **the school corporation provided before the school became a**
26 **turnaround academy.**
- 27 **(b) The school corporation shall:**
- 28 **(1) take no action adverse to the special management team's**
29 **operation of the school, including, but not limited to taking no**
30 **action to dispose of or cloud the title of the real property on**
31 **which the school is located, or removing or disposing of**
32 **personal property located in or assigned to the school; and**
33 **(2) not later than forty-five (45) days after the state board**
34 **executes a contract with a special management team under**
35 **section 7 of this chapter, provide to the special management**
36 **team all student records and other data for the students who**
37 **attended the school immediately prior to the school qualifying**
38 **for intervention under IC 20-31-9.**
- 39 **(c) If the special management team contracts with a school**
40 **corporation for goods or services, the school corporation may not**
41 **charge the special management team more for the goods or services**
42 **than the school corporation pays for the goods or services.**



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

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

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

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

14 SECTION 11. IC 20-31-9.5-3, AS ADDED BY P.L.229-2011,
 15 SECTION 190, IS AMENDED TO READ AS FOLLOWS
 16 [EFFECTIVE JULY 1, 2015]: Sec. 3. (a) Turnaround academies are
 17 eligible to receive building and technology loans administered by the
 18 state board from the common school fund.

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

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

28 (d) The department shall do the following:

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

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

39 ~~(2)~~ **(3)** Enter into any contracts necessary to implement the
 40 options for improvement implemented for the school by the state
 41 board, including contracts with a special management team
 42 assigned under IC 20-31-9-4 to operate the school as a turnaround



1 academy.

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

5 SECTION 12. IC 20-31-9.5-5, AS ADDED BY P.L.229-2011,
6 SECTION 190, IS AMENDED TO READ AS FOLLOWS
7 [EFFECTIVE JULY 1, 2015]: Sec. 5. (a) The executive of a city or
8 county in which one (1) or more turnaround academies are located may
9 petition the state board to oversee the special management team. The
10 petition must include the following:

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

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

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

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

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

20 SECTION 13. IC 20-31-9.5-7, AS AMENDED BY P.L.33-2014,
21 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
22 JULY 1, 2015]: Sec. 7. (a) If the state board ~~assigns~~ **recommends** a
23 special management team, ~~to a school~~; the **state board department**
24 shall enter into a contract with a special management team. ~~that~~
25 ~~includes the following provisions:~~ **The terms of the contract must**
26 **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 and state funding, including tuition**
34 **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.

37 ~~(3)~~ **(4)** A specification that the length of the contract is five (5) years.

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

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



- 1 **(A) Comply with the conditions or procedures established**
- 2 **in the agreement.**
- 3 **(B) Meet the state's financial management and government**
- 4 **accounting requirements.**
- 5 **(C) Comply with applicable laws.**
- 6 **(D) Meet the performance goals and accountability metrics**
- 7 **agreed upon under subdivision (4).**
- 8 **(6) A provision that the state board is an intended third party**
- 9 **beneficiary to the agreement.**
- 10 **(b) The special management team shall have full autonomy to**
- 11 **operate the school as provided in the contract described in**
- 12 **subsection (a).**
- 13 **(c) The term of the contract described in subsection (a) may not**
- 14 **exceed five (5) years. The contract may be extended after the initial**
- 15 **term at the direction of the state board.**
- 16 ~~(b)~~ **(d) Individuals employed by the special management team are**
- 17 **entitled to participate in: either:**
- 18 **(1) the state teachers' retirement fund created by IC 5-10.4; or**
- 19 **(2) the public employees' retirement fund created by IC 5-10.3; or**
- 20 **(3) another employee pension or retirement fund.**
- 21 ~~(c)~~ **(e) Employees of a special management team are not required to**
- 22 **organize and collectively bargain under IC 20-29-6.**
- 23 SECTION 14. IC 20-31-9.5-8 IS REPEALED [EFFECTIVE JULY
- 24 1, 2015]. See: 8. (a) If the state board, upon remand of the Marion
- 25 County Circuit Court case of Board of School Commissioners of the
- 26 City of Indianapolis v. Indiana State Board of Education and Indiana
- 27 Department of Education (cause number 49D03-1206-MI-023257),
- 28 determines that the Indianapolis public school corporation or any other
- 29 school corporation is entitled to a distribution to correct the amount
- 30 that was withheld under IC 20-31-9.5 during July through December
- 31 2012 from state tuition support and federal funds otherwise to be
- 32 distributed to the school corporation, the following apply:
- 33 (1) The state board shall make distributions to the following:
- 34 (A) The Indianapolis public school corporation;
- 35 (B) Any other school corporation affected by a redetermination
- 36 of the amount that was withheld under IC 20-31-9.5 during
- 37 July through December 2012.
- 38 (2) Before making a distribution to a school corporation under
- 39 this section, the state board must obtain from the recipient school
- 40 corporation an agreement that the school corporation will dismiss
- 41 and not pursue any claims against the state or any state officer or
- 42 entity, the special management team, or the turnaround academy



1 with regard to distributions received by the special management
 2 team or turnaround academy under IC 20-31-9.5 during July
 3 through December 2012.

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

8 SECTION 15. IC 20-31-9.5-11 IS ADDED TO THE INDIANA
 9 CODE AS A NEW SECTION TO READ AS FOLLOWS
 10 [EFFECTIVE JULY 1, 2015]: **Sec. 11. (a) At the time of the initial**
 11 **intervention or at any point during the intervention, the**
 12 **department may, after a public hearing of the state board, approve**
 13 **a written request from a special management team to:**

14 (1) expand the grades offered at the school occupied by the
 15 special management team; and
 16 (2) operate a charter school managed by the special
 17 management team within the same facility;
 18 if the state board determines that academic outcomes or financial
 19 sustainability of the turnaround academy will improve through
 20 implementing the request.

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

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

31 (c) The state board shall hold a public hearing, located in the
 32 facility proposed to be used, prior to approval of any request made
 33 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"**.

Re-number 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.



COMMITTEE REPORT

Madam President: The Senate Committee on Education and Career Development, to which was referred House Bill No. 1638, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, delete lines 1 through 15.

Page 2, delete lines 1 through 5.

Page 2, line 8, after "(a)" insert "**This section does not apply to a school promotional item that has minimal monetary value.**

(b)".

Page 2, line 15, delete "(b)" and insert "(c)".

Page 2, line 16, delete "type of redeemable gift card having" and insert "**item that has**".

Page 2, line 16, delete "(such as" and insert ", **including cash or**".

Page 2, line 18, delete ")" and insert ",".

Page 2, line 19, delete "or legal guardian".

Page 2, line 31, delete "IC 20-31-9-4." and insert "**IC 20-25.5**".

Page 2, delete lines 32 through 35.

Page 2, delete lines 41 through 42.

Page 3, delete lines 1 through 4.

Page 3, line 9, delete "July 1, 2015," and insert "**July 1, 2016**".

Page 3, line 13, delete "June 30, 2015," and insert "**June 30, 2016**".

Page 3, line 17, strike "shall" and insert "**may**".

Page 3, delete lines 40 through 42.

Page 4, delete lines 1 through 19.

Page 4, line 24, delete "July 1, 2015," and insert "**July 1, 2016**".

Page 4, line 29, delete "June 30, 2015," and insert "**June 30, 2016**".

Page 4, delete lines 41 through 42.

Page 5, line 1, delete "(D)" and insert "(C)".

Page 5, line 4, delete "(E)" and insert "(D)".

Page 5, line 6, delete "(F)" and insert "(E)".

Page 5, line 8, delete "(G)" and insert "(F)".

Page 5, between lines 15 and 16, begin a new line block indented and insert:

"(3) The state board may delay interventions under this section for one (1) year if the affected school demonstrates that, despite remaining in the lowest category or designation, a majority of students in the school demonstrated academic improvement during the preceding school year."

Page 5, line 19, delete "A" and insert "**For a school initially placed**



in the lowest category or designation of school improvement after June 30, 2016, the".

Page 5, line 19, delete "an updated" and insert "a".

Page 5, line 20, after "asset" delete "plan".

Page 5, line 21, delete "September 1" and insert "**December 31**".

Page 5, delete lines 23 through 42, begin a new paragraph and insert:

"(e) The following procedures apply if the state board determines that a school should be closed under subsection (b)(1)(F):

(1) The state board shall request from the school corporation an alternative plan to the closure of the school. The school corporation shall provide the plan within sixty (60) days of the state board's request.

(2) At least two-thirds (2/3) of all members of the board must vote to close the school.

(3) If the state board votes to close the school, the state board shall approve a student reassignment plan after receiving recommendations from the school corporation."

Page 6, delete lines 1 through 10.

Page 6, delete lines 39 through 42.

Page 7, delete lines 1 through 15.

Page 10, line 25, strike "and".

Page 10, line 26, strike "federal funds".

Page 10, line 30, delete "and".

Page 10, line 31, delete "federal funding amounts".

Page 10, line 34, strike "and federal funds".

Page 11, line 20, delete "on".

Page 11, line 33, after "local" delete "," and insert "**and**".

Page 11, line 33, after "state" delete ", and federal".

Page 12, delete lines 22 through 42.

Page 13, delete lines 1 through 18.

Page 14, delete lines 4 through 42.

Page 15, delete lines 1 through 12.

Page 15, delete lines 19 through 21, begin a new line block indented and insert:



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

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass and be reassigned to the Senate Committee on Appropriations.

(Reference is to HB 1638 as printed February 17, 2015.)

KRUSE, Chairperson

Committee Vote: Yeas 9, Nays 2.

COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred Engrossed House Bill No. 1638, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, line 17, delete ", including within a transformation zone." and insert ".".

Page 4, after line 42, begin a new line block indented and insert:

"(4) Adopt a plan recommended by the department."

Page 5, line 40, delete "enter" and insert "**require the department to report to the state board regarding the implementation of a recommended plan under IC 20-31-9 and this chapter.**".

Page 5, delete lines 41 through 42.

Page 6, line 1, delete "direct" and insert "**require**".

Page 6, line 1, delete "assist" and insert "**report to**".

Page 6, line 2, after "board" insert "**regarding implementation of a recommended plan.**".

Page 6, line 2, delete "with implementing the state board's duties under IC 20-31-9".

Page 6, delete lines 3 through 6.

Page 6, line 24, after "board" insert ", **with agreement by the department,**".

Page 8, line 4, after "may" insert "**after a full board hearing**".

Page 8, line 40, after "(2)" insert "**(3)**".

Page 8, line 40, reset in roman "Enter into any contracts necessary to implement the options".

Page 8, reset in roman lines 41 through 42.



Page 9, reset in roman lines 1 through 2.

Page 9, line 3, strike "(3)" and insert "(4)".

Page 9, between lines 20 and 21, begin a new paragraph and insert:

"SECTION 13. IC 20-31-9.5-7, AS AMENDED BY P.L.33-2014, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 7. (a) If the state board ~~assigns~~ **recommends** a special management team, ~~to a school~~, the ~~state board~~ **department** shall enter into a contract with a special management team. ~~that includes the following provisions:~~ **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 and state funding, including tuition support, to be distributed to the school.

~~(2)~~ **(3)** A requirement that the student instruction must be provided by teachers licensed under IC 20-28-5.

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

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

(5) Grounds for termination of the agreement, 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 agreement.

(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).

(6) A provision that the state board is an intended third party beneficiary to the agreement.

(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 described in subsection (a) may not exceed five (5) years. The contract may be extended after the initial term at the direction of the state board.

~~(b)~~ **(d)** Individuals employed by the special management team are



entitled to participate in: ~~either:~~

- (1) the state teachers' retirement fund created by IC 5-10.4; ~~or~~
- (2) the public employees' retirement fund created by IC 5-10.3; ~~or~~
- (3) another employee pension or retirement fund.**

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

Page 9, delete lines 21 through 42.

Page 10, delete lines 1 through 21.

Page 11, line 10, delete "state" and insert "**department**".

Page 11, line 11, delete "board may" and insert "**may, after a public hearing of the state board,**".

and when so amended that said bill do pass.

(Reference is to EHB 1638 as printed April 3, 2015.)

KENLEY, Chairperson

Committee Vote: Yeas 12, Nays 0.

