



Reprinted
February 1, 2018

HOUSE BILL No. 1315

DIGEST OF HB 1315 (Updated January 31, 2018 5:50 pm - DI 58)

Citations Affected: IC 4-3; IC 5-14; IC 6-1.1; IC 20-19; IC 20-23; IC 20-28; IC 34-30.

Synopsis: School corporation financial management. Allows the distressed unit appeal board (DUAB) to delegate board authority, duties, and responsibilities to the executive director by resolution of the board. Permits only the emergency manager to petition the DUAB to terminate a political subdivision's distressed status. Allows the DUAB to adopt rules. Requires the attorney general to represent a member of the fiscal management board, an emergency manager, a chief financial officer, or a chief academic officer if the individual requests the representation. Specifies restrictions on school corporations that are designated distressed. Allows a limited reduction in employees for distressed school corporation after September 30 of a year. Specifies that waivers regarding the allocation of protected taxes apply only to distressed school corporations and not other distressed units. Makes changes concerning the Gary Community school corporation and its operation. Converts the Gary Community school corporation's governing board to an advisory committee. Provides that the Gary Community school corporation advisory committee may not hold a public meeting more often than once every three months and provides that any other meetings are authorized executive sessions under the open door law. Specifies that advisory committee may vote to fill vacancies and select officers of the advisory committee. Removes the laws concerning the Muncie Community School
(Continued next page)

Effective: Upon passage; July 1, 2018; January 1, 2019.

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January 11, 2018, read first time and referred to Committee on Ways and Means.
January 25, 2018, amended, reported — Do Pass.
January 31, 2018, read second time, amended, ordered engrossed.

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Digest Continued

Corporation being a fiscally impaired school corporation. Permits the Ball State University board of trustees to adopt a resolution to govern the Muncie Community school corporation using a newly appointed seven member governing board. Requires that at least two members reside in the Muncie Community School Corporation district. Requires the governing body to engage academically innovative strategies. Specifies that only certain laws in IC 20 will apply to the Muncie Community school corporation. Specifies other conditions. Permits the DUAB to recommend to the state board of finance that the state board of finance make an interest free loan to the Muncie Community Schools. Establishes a fiscal and qualitative indicators committee to make initial determinations about the fiscal and qualitative factors to be used in analyzing the financial condition of school corporations. Specifies certain factors that may be used. Requires the fiscal and qualitative indicators committee to make initial determinations about the presentation of the factors and the financial condition of school corporations to the public and the frequency of updates. Requires the fiscal and qualitative indicators committee to report its findings, recommendations, and procedures to the state budget committee before being made final. Requires the DUAB to present school financial condition information on its Internet web site or the management performance hub (MPH)'s Internet web site. Sets minimum standards for presenting the information. Requires the DUAB to determine the financial condition of each school corporation and whether a school corporation should be placed on a watch list. Requires the DUAB to report to the state budget committee the process that will be used between contacting a school corporation about its financial condition and being placed on the watch list, including a report on what factors will cause a school corporation to be put on the watch list, any particular funding issues that may cause a school corporation to be on the watch list, and when the list will be made public. Provides that if a school corporation remains on the watch list for four consecutive years, the Indiana Association of Public School Superintendents shall decide if it is appropriate to recommend to the Indiana department of education whether disciplinary action should be taken by the department regarding the superintendent. Permits the DUAB to enter into an agreement with a school corporation showing fiscal distress to establish a corrective action plan. Requires various reports.



Reprinted
February 1, 2018

Second Regular Session of the 120th General Assembly (2018)

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 2017 Regular Session of the General Assembly.

HOUSE BILL No. 1315

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

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

- 1 SECTION 1. IC 4-3-26-9, AS ADDED BY P.L.269-2017,
2 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2018]: Sec. 9. (a) The governor shall appoint a chief data
4 officer, who serves at the pleasure of the governor.
5 (b) The chief data officer shall do the following:
6 (1) Serve as the executive head of the MPH.
7 (2) Advise executive state agencies and political subdivisions
8 regarding state best practices concerning the creation and
9 maintenance of data.
10 (3) Coordinate data analytics and transparency master planning
11 for the executive state agencies and provide leadership regarding
12 state data analytics and transparency.
13 **(4) Provide financial data concerning the financial condition**
14 **of school corporations.**
15 SECTION 2. IC 4-3-26-10, AS ADDED BY P.L.269-2017,

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1 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2018]: Sec. 10. The MPH shall do the following:

3 (1) Establish and maintain a program to collect, analyze, and
4 exchange government information in carrying out the powers and
5 duties of the OMB and the powers and duties of the executive
6 state agency sharing the data. In carrying out this program, the
7 MPH may, in accordance with IC 4-1-6, obtain government
8 information from each executive state agency.

9 (2) In accordance with IC 4-1-6 and IC 5-14-3, establish and
10 maintain a program to make government information available to
11 executive state agencies, political subdivisions, educational
12 institutions, researchers, nongovernmental organizations, and the
13 general public, subject to the following:

14 (A) A request for data subject to IC 4-1-6-8.6 shall be made in
15 conformance with that section.

16 (B) A program established and maintained under this chapter
17 must include policies governing access to government
18 information held by the MPH under this chapter. Government
19 information may be made available only in accordance with
20 applicable confidentiality and disclosure laws.

21 (3) Establish privacy and quality policies for government
22 information that comply with all applicable Indiana and federal
23 laws, rules, and policies.

24 (4) In accordance with standards developed by the office of
25 technology established by IC 4-13.1-2-1, establish and maintain
26 a program to ensure the security of government information under
27 this chapter.

28 (5) Conduct operational and procedural audits of executive state
29 agencies.

30 (6) Perform financial planning and design and implement
31 efficiency projects for executive state agencies.

32 (7) Advise and assist each executive state agency to identify and
33 implement continuous process improvement in state government.

34 (8) Carry out such other responsibilities as may be designated by
35 the director of the OMB or the chief data officer to carry out the
36 responsibilities of the OMB or the chief data officer.

37 **(9) Publish on the MPH's Internet web site the information on**
38 **the fiscal and qualitative indicators for school corporations in**
39 **the format required by IC 20-19-7.**

40 SECTION 3. IC 5-14-3.7-3, AS AMENDED BY P.L.208-2016,
41 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
42 JANUARY 1, 2019]: Sec. 3. (a) The department, working with the



1 office of technology established by IC 4-13.1-2-1 or another
 2 organization that is part of a state educational institution, the state
 3 board of accounts established by IC 5-11-1-1, the department of local
 4 government finance established under IC 6-1.1-30-1.1, and the office
 5 of management and budget established by IC 4-3-22-3, shall post on
 6 the Indiana transparency Internet web site a data base that lists
 7 expenditures and fund balances, including expenditures for contracts,
 8 grants, and leases, for public schools. The web site must be
 9 electronically searchable by the public.

10 (b) The data base must include for public schools:

- 11 (1) the amount, date, payer, and payee of expenditures;
 12 (2) a listing of expenditures specifically identifying those for:
 13 (A) personal services;
 14 (B) other operating expenses or total operating expenses; and
 15 (C) debt service, including lease payments, related to debt;
 16 (3) a listing of fund balances, specifically identifying balances in
 17 funds that are being used for accumulation of money for future
 18 capital needs;
 19 (4) a listing of real and personal property owned by the public
 20 school; **and**
 21 (5) the report required under IC 6-1.1-33.5-7. **and**
 22 ~~(6) information for evaluating the fiscal health of each school~~
 23 ~~corporation in the format required by section 16(b) of this chapter.~~

24 SECTION 4. IC 5-14-3.7-16 IS REPEALED [EFFECTIVE
 25 JANUARY 1, 2019]. Sec. 16. (a) The department of local government
 26 finance shall develop indicators of fiscal health for evaluating the fiscal
 27 health of a school corporation. The department of local government
 28 finance may consider including any of the following in the indicators
 29 developed under this subsection:

- 30 (1) The cash balance of a school corporation.
 31 (2) The debt to revenue ratio of a school corporation.
 32 (3) The condition of a school corporation's property tax base as
 33 measured by both the assessed value of the school corporation
 34 and the amount of per capita revenue generated from the school
 35 corporation's tax base.
 36 (4) The per capita amount of a school corporation's education
 37 fund and its operations fund.
 38 (5) Any trends in the amount of a school corporation's tax
 39 revenue.
 40 (6) Whether a school corporation maintains a structural deficit or
 41 a structural surplus.
 42 (7) The extent that the school corporation is affected by tax



1 increment financing districts.

2 (8) The extent that the school corporation's property tax base is
3 affected by exempt properties.

4 (9) The school corporation's bond rating.

5 (10) The amount of retiree benefits paid by the school
6 corporation.

7 (11) The amount of pension contributions paid on behalf of the
8 school corporation's employees.

9 (12) Any other factor that the department of local government
10 finance considers relevant to evaluating the fiscal health of a
11 school corporation.

12 (b) The department of local government finance shall use the
13 indicators developed under subsection (a) and the associated fiscal data
14 to present the information for evaluating the fiscal health of each
15 school corporation on the Indiana transparency Internet web site. The
16 information must be presented in a manner that:

17 (1) can be conveniently and easily accessed from a single web
18 page; and

19 (2) is commonly known as an Internet dashboard.

20 The information must be available on the Indiana transparency Internet
21 web site in the format required by this subsection before July 1, 2015.

22 (c) Neither the department of local government finance nor any
23 other state agency may use the fiscal health indicators developed under
24 this section to assign a school corporation a summative grade.

25 SECTION 5. IC 6-1.1-20.3-2, AS AMENDED BY P.L.241-2017,
26 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
27 JULY 1, 2018]: Sec. 2. As used in this chapter, "distressed political
28 subdivision" means a political subdivision designated as a distressed
29 political subdivision by the board under section 6.5, 6.7, or 7.1 of this
30 chapter. or a school corporation designated as a distressed political
31 subdivision by section 6.8 of this chapter.

32 SECTION 6. IC 6-1.1-20.3-5, AS AMENDED BY P.L.217-2017,
33 SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
34 JULY 1, 2018]: Sec. 5. (a) The board may employ an executive director
35 who shall serve at the pleasure of the board and carry out the
36 administrative responsibilities assigned by the board. **The board may
37 delegate a specific duty, authority, or responsibility assigned to the
38 board under this chapter to the executive director.**

39 (b) The department of local government finance shall provide the
40 board with the staff and assistance that the board reasonably requires.

41 (c) The department of local government finance shall provide from
42 the department's budget funding to support the board's duties under this



1 chapter.

2 (d) The board may contract with accountants, financial experts, and
3 other advisors and consultants as necessary to carry out the board's
4 duties under this chapter.

5 **(e) The board may adopt rules to implement this chapter.**

6 SECTION 7. IC 6-1.1-20.3-6.8, AS ADDED BY P.L.241-2017,
7 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8 JULY 1, 2018]: Sec. 6.8. (a) This section applies only to the Gary
9 Community School Corporation.

10 (b) The general assembly finds that the provisions of this section:

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

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

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

16 (1) "Chief academic officer" means the chief academic officer
17 appointed under subsection (j).

18 (2) "Chief financial officer" means the chief financial officer
19 appointed under subsection (i).

20 (3) "~~Governing body~~" refers to the governing body of the Gary
21 Community School Corporation.

22 ~~(4)~~ (3) "School corporation" refers to the Gary Community School
23 Corporation.

24 (d) The Gary Community School Corporation is designated as a
25 distressed political subdivision for purposes of this chapter until the
26 school corporation's designation as a distressed political subdivision is
27 terminated as provided in section 13(b) of this chapter. This
28 designation as a distressed political subdivision is effective regardless
29 of whether the school corporation has submitted a petition requesting
30 to be designated as a distressed political subdivision. Until the school
31 corporation's designation as a distressed political subdivision is
32 terminated as provided in section 13(b) of this chapter, the ~~governing~~
33 ~~body of the school corporation~~ **Gary Community Schools advisory**
34 **committee** may not ~~meet~~ **hold a public meeting** more often than once
35 ~~each month.~~ **every three (3) months. The emergency manager shall**
36 **hold a monthly forum to provide an update on the Gary**
37 **Community school corporation within the school district that is**
38 **open to the general public. During the period that the Gary**
39 **Community School Corporation is designated as a distressed**
40 **political subdivision, the advisory committee may vote to:**

41 (1) fill vacancies; or

42 (2) select officers;



1 **of the advisory committee. In addition to any other powers of the**
 2 **financial specialist appointed under section 6.9 of this chapter, during**
 3 **the period after the effective date of this section and before an**
 4 **emergency manager is appointed for the school corporation, the**
 5 **financial specialist may identify and implement labor force reductions;**
 6 **including contract cancellations as provided in IC 20-28-7.5 due to a**
 7 **reduction in force.**

8 (e) Until the school corporation's designation as a distressed
 9 political subdivision is terminated as provided in section 13(b) of this
 10 chapter, the following apply to the emergency manager appointed
 11 under section 7.5 of this chapter for the school corporation:

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

14 (2) The emergency manager shall consult with and consider
 15 recommendations from the fiscal management board, ~~and the~~
 16 ~~governing body~~, but the emergency manager has full
 17 responsibility and authority related to financial and academic
 18 matters of the school corporation, and the emergency manager
 19 may act, as specified in this chapter, on these financial and
 20 academic matters without the approval of the fiscal management
 21 board. ~~or the governing body. The school corporation's~~
 22 ~~superintendent, or the superintendent's designee, shall work with~~
 23 ~~the emergency manager and serve as a resource in an~~
 24 ~~administrative capacity.~~

25 (3) Notwithstanding section 7.5(d) of this chapter, the distressed
 26 unit appeal board shall:

27 (A) determine the compensation of the emergency manager,
 28 chief financial officer, and chief academic officer; and

29 (B) subject to subsections (i) and (j), pay the emergency
 30 manager's, chief financial officer's, and chief academic
 31 officer's compensation and reimburse the emergency manager,
 32 chief financial officer, and chief academic officer for actual
 33 and necessary expenses from funds appropriated to the
 34 distressed unit appeal board.

35 (4) Before appointing the emergency manager, the distressed unit
 36 appeal board shall interview at least one (1) resident of the city of
 37 Gary as a candidate for the position. If the distressed unit appeal
 38 board is not able to interview a resident of the city of Gary as a
 39 candidate for the position, the distressed unit appeal board shall
 40 interview at least one (1) individual who is a resident of Lake
 41 County or northwest Indiana as a candidate for the position.

42 The appointment of the emergency manager for the school corporation



1 is terminated on the date the school corporation's designation as a
 2 distressed political subdivision is terminated as provided in section
 3 13(b) of this chapter.

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

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

12 (2) The distressed unit appeal board may recommend to the state
 13 board of finance that the state board of finance make an interest
 14 free loan to the school corporation from the common school fund.
 15 The distressed unit appeal board shall determine the payment
 16 schedule and the commencement date for the loan. If the
 17 distressed unit appeal board makes a recommendation that such
 18 a loan be made, the state board of finance may, notwithstanding
 19 IC 20-49, make such a loan for a term of not more than ten (10)
 20 years.

21 (3) The distressed unit appeal board may establish benchmarks of
 22 financial improvement for the school corporation.

23 (4) The distressed unit appeal board may provide a grant or grants
 24 to the school corporation from funds appropriated to the
 25 distressed unit appeal board, in amounts determined by the
 26 distressed unit appeal board, to assist the school corporation in
 27 overcoming short term financial problems.

28 (5) The distressed unit appeal board may make a recommendation
 29 to the general assembly concerning the possible restructuring of
 30 advances made to the school corporation from the common school
 31 fund, including forgiveness of principal and interest on those
 32 advances.

33 (g) The fiscal management board is established. The fiscal
 34 management board consists of the following members:

35 ~~(1) One (1) member appointed by the governing body.~~

36 ~~(2) (1) One (1) member appointed by the mayor of the city of~~
 37 ~~Gary.~~

38 ~~(3) (2) One (1) member, who must have experience working with~~
 39 ~~or for an urban school corporation, appointed by the~~
 40 ~~superintendent of public instruction.~~

41 ~~(4) (3) One (1) member, who must have experience working with~~
 42 ~~or for an urban school corporation, appointed by the state board~~



- 1 of education.
- 2 (h) The following apply to the fiscal management board and to the
- 3 members of the fiscal management board:
- 4 (1) The term of office of a member of the fiscal management
- 5 board is four (4) years, beginning on the date of appointment. A
- 6 member of the fiscal management board may be reappointed to
- 7 the fiscal management board. A member of the fiscal
- 8 management board may be removed for cause by the appointing
- 9 authority.
- 10 (2) A member of the fiscal management board must have the
- 11 following:
- 12 (A) At least three (3) years experience in financial
- 13 management.
- 14 (B) A meaningful background and work experience in finance
- 15 and business.
- 16 (C) An understanding of government contracts.
- 17 (D) Knowledge and experience in organizational effectiveness,
- 18 operations management, and implementing best practices.
- 19 (E) Experience in budget development and oversight.
- 20 (F) A demonstrated commitment to high professional and
- 21 ethical standards and a diverse workplace.
- 22 (G) An understanding of tax and other compliance
- 23 implications.
- 24 (3) A member of the ~~governing body~~ **advisory committee** may
- 25 not serve as a member of the fiscal management board.
- 26 (4) The fiscal management board:
- 27 (A) shall make recommendations to the emergency manager;
- 28 and
- 29 (B) shall advise the emergency manager as requested by the
- 30 emergency manager.
- 31 (5) The members of the fiscal management board are not entitled
- 32 to any compensation for their service on the fiscal management
- 33 board.
- 34 (6) The fiscal management board is abolished, and the terms of
- 35 the members of the fiscal management board are terminated, on
- 36 the date the school corporation's designation as a distressed
- 37 political subdivision is terminated as provided in section 13(b) of
- 38 this chapter.
- 39 (7) Under the supervision of the emergency manager, the fiscal
- 40 management board shall serve as a liaison to and shall work
- 41 jointly with the distressed unit appeal board, the mayor of the city
- 42 of Gary, and the department of education to develop a transition



- 1 plan to address issues or questions related to:
- 2 (A) the designation of the school corporation as a distressed
- 3 political subdivision and the transfer of powers and duties to
- 4 the emergency manager under this chapter; and
- 5 (B) the potential impact of the transition on the community
- 6 and the school corporation.
- 7 (8) Under the supervision of the emergency manager, the fiscal
- 8 management board shall work jointly with the distressed unit
- 9 appeal board, the mayor of the city of Gary, and the department
- 10 of education to provide information on a regular basis to parents,
- 11 students, employees of the school corporation, and the public on
- 12 the status of the transition.
- 13 (i) The emergency manager shall employ a chief financial officer for
- 14 the school corporation. The chief financial officer is an employee of the
- 15 school corporation. The chief financial officer shall report to the
- 16 emergency manager and shall assist the emergency manager appointed
- 17 for the school corporation and the fiscal management board in carrying
- 18 out the day to day financial operations of the school corporation. ~~Before~~
- 19 ~~July 1, 2019;~~ **Before July 1, 2019**, the compensation of the chief
- 20 financial officer shall be determined by the distressed unit appeal
- 21 board. ~~Before July 1, 2019,~~ the compensation of the chief financial
- 22 officer shall be paid from the funds appropriated to the distressed unit
- 23 appeal board. After June 30, 2019, the compensation of the chief
- 24 financial officer shall be determined by and paid by the school
- 25 corporation. The chief financial officer:
- 26 (1) must possess, through both education and experience, an
- 27 understanding of finance and financial management; and
- 28 (2) must possess any other experience and must meet any other
- 29 requirements as required by the distressed unit appeal board to
- 30 ensure that the chief financial officer is qualified to carry out the
- 31 financial restructuring of the school corporation.
- 32 Before employing a chief financial officer under this subsection, the
- 33 emergency manager shall interview at least one (1) resident of the city
- 34 of Gary as a candidate for the position. If the emergency manager is not
- 35 able to interview a resident of the city of Gary as a candidate for the
- 36 position, the emergency manager shall interview at least one (1)
- 37 individual who is a resident of Lake County or northwest Indiana as a
- 38 candidate for the position.
- 39 (j) The emergency manager shall employ a chief academic officer
- 40 for the school corporation, after consultation with the department of
- 41 education, who must have experience working with or for an urban
- 42 school corporation. The chief academic officer is an employee of the



1 school corporation. The chief academic officer shall report to the
 2 emergency manager and shall assist the emergency manager appointed
 3 for the school corporation and the fiscal management board in carrying
 4 out the academic matters of the school corporation. ~~Before July 1,~~
 5 ~~2019;~~ **Before July 1, 2019**, the compensation of the chief academic
 6 officer shall be determined by the distressed unit appeal board. Before
 7 July 1, 2019, the compensation of the chief academic officer shall be
 8 paid from the funds appropriated to the distressed unit appeal board.
 9 After June 30, 2019, the compensation of the chief academic officer
 10 shall be determined by and paid by the school corporation. The chief
 11 academic officer must:

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

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

27 (k) The chief financial officer and chief academic officer shall assist
 28 the emergency manager in carrying out the emergency manager's duties
 29 under this chapter.

30 (l) The annual budget adopted by the emergency manager for the
 31 school corporation must dedicate a significant part of the school
 32 corporation's budget to eliminating the school corporation's outstanding
 33 financial obligations. The emergency manager shall attempt to
 34 negotiate with the creditors of the school corporation to establish a plan
 35 specifying the schedule for paying each creditor. The emergency
 36 manager shall submit the plan to the distressed unit appeal board for
 37 approval. The distressed unit appeal board must:

- 38 (1) review the plan submitted by the emergency manager; and
- 39 (2) not later than sixty (60) days after the plan is submitted,
- 40 either:
 - 41 (A) approve the plan as submitted by the emergency manager;
 - 42 or



- 1 (B) modify the plan as submitted by the emergency manager
 2 and then approve the modified plan.
- 3 (m) The emergency manager shall consult with ~~the governing body,~~
 4 the fiscal management board and the mayor of the city of Gary in
 5 developing the school corporation's annual budget. The distressed unit
 6 appeal board must review and approve the school corporation's annual
 7 budget that is proposed by the emergency manager.
- 8 (n) In consultation with the fiscal management board ~~the governing~~
 9 ~~body,~~ and the mayor of the city of Gary, the emergency manager shall
 10 do the following:
- 11 (1) Conduct a financial and compliance audit of the operations of
 12 the school corporation.
- 13 (2) Develop a written financial plan for the school corporation.
 14 The object of the plan must be to achieve financial stability for
 15 the school corporation, and the plan must include provisions for
 16 paying all of the school corporation's outstanding obligations and
 17 for paying all future obligations of the school corporation
 18 (including any federal, state, or local taxes or assessments) in a
 19 timely manner.
- 20 (o) In addition to the report required by section 8.5(c)(5) of this
 21 chapter, the emergency manager, the chief financial officer, and the
 22 chief academic officer shall report quarterly to the distressed unit
 23 appeal board in a format specified by the distressed unit appeal board.
 24 The report must include:
- 25 (1) information concerning the actions that the school corporation
 26 is taking to improve the financial condition of the school
 27 corporation; and
 28 (2) any other information required by the distressed unit appeal
 29 board.
- 30 The emergency manager shall report more frequently than quarterly if
 31 requested by the distressed unit appeal board. The emergency manager
 32 shall provide copies of the report to ~~the governing body,~~ the fiscal
 33 management board and the mayor of the city of Gary. The emergency
 34 manager shall present each report at a public meeting of the fiscal
 35 management board.
- 36 (p) The school corporation shall do the following:
- 37 (1) Publish a copy of each report under subsection (o) on the
 38 school corporation's Internet web site, along with a link to the
 39 main page of the Indiana transparency Internet web site
 40 established under IC 5-14-3.7 to provide access to financial data
 41 for local schools.
 42 (2) Make copies of each report available free of charge to the



- 1 public upon request.
- 2 (3) Provide copies of each report to the mayor of the city of Gary.
- 3 The mayor shall make copies of the reports available free of
- 4 charge to the public upon request.
- 5 (q) The chief academic officer shall develop an education plan to
- 6 provide academic services to students in the school corporation and to
- 7 achieve academic progress. The education plan must include at least
- 8 the following components:
- 9 (1) An academic program designed to meet Indiana's academic
- 10 standards and to assist students in meeting those academic
- 11 standards.
- 12 (2) A plan to improve the academic performance of all students,
- 13 including improvement in the performance of students on
- 14 standardized tests.
- 15 (3) A plan to engage parents in school performance and school
- 16 activities, including regular meetings at each school involving
- 17 administrators, teachers, parents, and interested members of the
- 18 community.
- 19 (4) A plan to implement performance standards that will attract
- 20 students and families to the school corporation.
- 21 (5) A plan specifying how the school corporation will work
- 22 directly with the city of Gary:
- 23 (A) to make the schools a successful component of life within
- 24 the city; and
- 25 (B) to develop a sense of pride and progress in the operations
- 26 and accomplishments of the school corporation.
- 27 ~~The chief financial officer and the chief academic officer shall confer~~
- 28 ~~with the governing body at least once each month.~~ The chief financial
- 29 officer and chief academic officer shall meet at least quarterly with the
- 30 executive committee of the bargaining unit to inform the executive
- 31 committee of the academic progress of the school corporation.
- 32 ~~(r) During the period after the effective date of this section and~~
- 33 ~~before an emergency manager is appointed for the school corporation;~~
- 34 ~~the governing body may not enter into or renew any contract unless that~~
- 35 ~~contract or contract renewal is first approved by the distressed unit~~
- 36 ~~appeal board.~~
- 37 SECTION 8. IC 6-1.1-20.3-6.9 IS REPEALED [EFFECTIVE JULY
- 38 1, 2018]. Sec. 6.9: (a) The board may do the following:
- 39 (1) Hold a public hearing to review the budget, tax levies,
- 40 assessed value, debt service requirements, and other financial
- 41 information for the Gary Community School Corporation.
- 42 (2) After reviewing the information described in subdivision (1)



1 and subject to subdivision (3); the board may, with the consent of
 2 the governing body of the Gary Community School Corporation;
 3 select a financial specialist to take financial control of the Gary
 4 Community School Corporation; who shall act in consultation
 5 with the governing body of the Gary Community School
 6 Corporation and the city of Gary.

7 (3) In selecting a financial specialist to take financial control of
 8 the Gary Community School Corporation under subdivision (2):

9 (A) the board shall recommend three (3) persons as potential
 10 candidates for the financial specialist position to take financial
 11 control of the Gary Community School Corporation; and

12 (B) the governing body of the Gary Community School
 13 Corporation may, within twenty-one (21) days after the board
 14 makes the recommendations under clause (A); choose one (1)
 15 of the persons recommended by the board under clause (A)
 16 that the board may then select as a financial specialist to take
 17 financial control of the Gary Community School Corporation
 18 as provided in subdivision (2).

19 If the governing body of the Gary Community School Corporation
 20 does not choose a financial specialist as provided in clause (B)
 21 from the persons recommended by the board within twenty-one
 22 (21) days; the board's authority under this section is terminated.

23 (4) A financial specialist selected under this section:

- 24 (A) shall be paid out of the funds appropriated to the board;
- 25 (B) may perform the duties authorized under this section for
 26 not more than twenty-four (24) consecutive months; and
- 27 (C) may request the Indiana Association of School Business
 28 Officials to provide technical consulting services to the
 29 financial specialist and the Gary Community School
 30 Corporation on the following issues:

- 31 (i) Debt management.
- 32 (ii) Cash management.
- 33 (iii) Facility management.
- 34 (iv) Other school business management issues.

35 The Indiana Association of School Business Officials will
 36 determine the appropriate individuals to consult with the
 37 financial specialist and the Gary Community School
 38 Corporation. Any consulting expenses will be paid out of the
 39 funds appropriated to the board.

40 (b) The board may do any of the following if the board selects a
 41 financial specialist to take financial control of the Gary Community
 42 School Corporation under subsection (a):



1 (1) The board may work jointly with the city of Gary and the
 2 financial specialist to develop a financial plan for the Gary
 3 Community School Corporation.

4 (2) The board may delay or suspend, for a period determined by
 5 the board, any payments of principal or interest, or both, that
 6 would otherwise be due from the Gary Community School
 7 Corporation on loans or advances from the common school fund.

8 (3) The board may recommend to the state board of finance that
 9 the state board of finance make an interest free loan to the Gary
 10 Community School Corporation from the common school fund.
 11 If the board makes a recommendation that such a loan be made,
 12 the state board of finance may, notwithstanding IC 20-49, make
 13 such a loan for a term of not more than six (6) years.

14 SECTION 9. IC 6-1.1-20.3-7.1, AS ADDED BY P.L.241-2017,
 15 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JULY 1, 2018]: Sec. 7.1. (a) This section applies only to the Muncie
 17 Community Schools.

18 (b) The general assembly finds that the provisions of this section:

19 (1) are necessary to address the unique issues faced by the
 20 Muncie Community Schools; and

21 (2) are not precedent for and may not be appropriate for
 22 addressing issues faced by other school corporations; and

23 **(3) are consistent with the board designating the Muncie**
 24 **Community school corporation as a distressed political**
 25 **subdivision effective January 1, 2018.**

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

27 (1) "Emergency manager" includes a temporary emergency
 28 manager appointed under this section.

29 (2) "Governing body" refers to the governing body of the Muncie
 30 Community Schools.

31 (3) "School corporation" refers to the Muncie Community
 32 Schools.

33 (d) Muncie Community Schools is designated as a fiscally impaired
 34 school corporation. The school corporation's designation as a fiscally
 35 impaired school corporation terminates on January 1, 2018. The school
 36 corporation's designation as a fiscally impaired school corporation is
 37 not a designation of the school corporation as a distressed political
 38 subdivision for purposes of this chapter. The school corporation's
 39 designation as a fiscally impaired school corporation is effective
 40 regardless of whether the school corporation has submitted a petition
 41 under this section requesting to be designated as a fiscally impaired
 42 school corporation. The board shall appoint an emergency manager for



- 1 the school corporation.
- 2 (c) Notwithstanding section 7.5(d) of this chapter, the board shall
 3 determine the compensation of the emergency manager, pay the
 4 emergency manager's compensation, and reimburse the emergency
 5 manager for actual and necessary expenses from funds appropriated to
 6 the board. Upon the effective date of this section, the board may
 7 immediately appoint the superintendent of the Muncie Community
 8 Schools as the emergency manager for the school corporation on a
 9 temporary basis. The appointment of the superintendent as the
 10 emergency manager may continue for not more than six (6) months.
 11 However, the superintendent may be considered for the permanent
 12 emergency manager position.
- 13 (e) Notwithstanding the powers, authority, and responsibilities
 14 otherwise granted to an emergency manager under this chapter, before
 15 January 1, 2018, the emergency manager appointed for the school
 16 corporation has only the following powers, authority, and
 17 responsibilities:
- 18 (1) The emergency manager shall:
- 19 (A) take actions necessary to implement the deficit reduction
 20 plan that was presented at a public meeting of the governing
 21 body on April 17, 2017; and
- 22 (B) work with the governing body and the superintendent to:
- 23 (i) achieve financial stability for the school corporation;
- 24 (ii) provide for the payment of the school corporation's
 25 outstanding debt obligations and anticipated future debt
 26 obligations; and
- 27 (iii) align the school corporation's personnel and facilities
 28 with the anticipated revenues and enrollment of the school
 29 corporation.
- 30 (2) The emergency manager may on behalf of the school
 31 corporation negotiate and enter into labor contracts and collective
 32 bargaining agreements. The emergency manager shall also review
 33 existing labor contracts and collective bargaining agreements; and
 34 if the emergency manager considers it appropriate, the emergency
 35 manager may on behalf of the school corporation attempt to
 36 renegotiate such a labor contract or collective bargaining
 37 agreement.
- 38 (3) Subject to labor contracts and collective bargaining
 39 agreements applicable to the school corporation and any
 40 obligations to inform the governing body or the superintendent,
 41 the emergency manager may do any of the following:
- 42 (A) Set the salaries and other compensation of the school



- 1 corporation's employees.
- 2 (B) Identify and implement labor force reductions:
- 3 (C) Outsource services performed by employees of the school
- 4 corporation.
- 5 (4) The emergency manager may do any of the following:
- 6 (A) Close facilities of the school corporation:
- 7 (B) Sell, transfer, or lease property of the school corporation:
- 8 If the emergency manager sells real property, any political
- 9 subdivision that has territory where the real property is located
- 10 and institutions of higher education with real property located
- 11 in Indiana shall be given a thirty (30) day first right to make an
- 12 offer to purchase the real property. Ball State University shall
- 13 have the right of first refusal for any property sold, transferred,
- 14 or leased under this subsection. The emergency manager shall
- 15 determine whether it is appropriate to accept one (1) of these
- 16 offers and shall negotiate the terms and conditions of the sale
- 17 of the real property to the offeror.
- 18 (5) The emergency manager must approve any of the following
- 19 actions by the school corporation before the school corporation
- 20 may take the action:
- 21 (A) Acquiring real property:
- 22 (B) Constructing new buildings or remodeling or renovating
- 23 existing buildings:
- 24 (C) Incurring a contractual obligation that requires an
- 25 expenditure of more than thirty thousand dollars (\$30,000):
- 26 (D) Purchasing or entering into an agreement to purchase
- 27 personal property at a cost of more than thirty thousand dollars
- 28 (\$30,000):
- 29 (E) Making, approving, or disapproving the following:
- 30 (i) A loan.
- 31 (ii) The creation of any new position:
- 32 (iii) The filling of any vacant position.
- 33 (6) The emergency manager shall submit a written report to the
- 34 board and the governing body each month concerning the
- 35 following:
- 36 (A) Actions taken by the emergency manager and the school
- 37 corporation:
- 38 (B) Expenditures made by the school corporation:
- 39 (C) The progress that has been made toward achieving
- 40 financial stability for the school corporation:
- 41 The emergency manager, rather than the governing body or the
- 42 superintendent of the school corporation, has and shall exercise the



1 powers; authority; and responsibilities described in subdivisions (1)
 2 through (6); including the authority to negotiate and enter into labor
 3 contracts and collective bargaining agreements on behalf of the school
 4 corporation. This subsection expires January 1, 2018.

5 (f) The school corporation's designation as a fiscally impaired
 6 school corporation terminates on January 1, 2018. The board shall, not
 7 later than December 1, 2017, hold a public hearing to determine if the
 8 school corporation should be designated as a distressed political
 9 subdivision for purposes of this chapter effective January 1, 2018.
 10 After holding the public hearing, the board shall do one (1) of the
 11 following:

12 (1) If the board finds that:

13 (A) the school corporation has developed and is implementing
 14 a deficit reduction plan described in subsection (c)(1);

15 (B) the actions taken by the school corporation to implement
 16 the deficit reduction plan have resulted in progress toward
 17 achieving financial stability for the school corporation; and

18 (C) it is in the best interest of the students, the community, and
 19 the school corporation and its employees to not designate the
 20 school corporation as a distressed political subdivision;

21 the board shall adopt a resolution providing that the school
 22 corporation will not be designated as a distressed political
 23 subdivision under this chapter. If the board adopts such a
 24 resolution, the school corporation is not subject to this chapter
 25 after December 31, 2017.

26 (2) If the board does not adopt a resolution under subdivision (1);
 27 the board shall adopt a resolution designating the school
 28 corporation as a distressed political subdivision effective January
 29 1, 2018.

30 (g) If the board adopts a resolution under subsection (f)(1) providing
 31 that the school corporation will not be designated as a distressed
 32 political subdivision, the position of the emergency manager is
 33 terminated on January 1, 2018.

34 (h) (d) If the board adopts a resolution under subsection (f)(2)
 35 providing that **In addition to any other actions that the board may**
 36 **take under this chapter concerning a distressed political**
 37 **subdivision, the board may recommend, before July 1, 2020, to the**
 38 **state board of finance that the state board of finance make an**
 39 **interest free loan to the school corporation is designated as a**
 40 **distressed political subdivision effective January 1, 2018, from the**
 41 **common school fund. The distressed unit appeal board shall**
 42 **determine the payment schedule and the commencement date for**



1 **the loan. If the board makes a recommendation that such a loan be**
 2 **made, the state board of finance may, notwithstanding IC 20-49,**
 3 **make the loan for a term of not more than ten (10) years.**

4 (1) the emergency manager shall, effective January 1, 2018,
 5 assume and exercise all of the powers, authority, and
 6 responsibilities granted to emergency managers of school
 7 corporations under this chapter; and

8 (2) the school corporation's designation as a distressed political
 9 subdivision continues until that designation is terminated as
 10 provided in section 13(b) of this chapter.

11 (i) The following apply while the school corporation is designated
 12 as a fiscally impaired school corporation and; if the board adopts a
 13 resolution under subsection (f)(2); while the school corporation is
 14 designated as a distressed political subdivision:

15 (1) The school corporation may approve a controlled project
 16 under IC 6-1.1-20 that requires a petition and remonstrance
 17 process or a local public question only if the controlled project is
 18 first approved by the emergency manager.

19 (2) The governing body may adopt a resolution to place a
 20 referendum on the ballot for a referendum tax levy under
 21 IC 20-46-1 only if the resolution is first approved by the
 22 emergency manager.

23 SECTION 10. IC 6-1.1-20.3-7.5, AS AMENDED BY P.L.241-2017,
 24 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 JULY 1, 2018]: Sec. 7.5. (a) This section does not apply to a school
 26 corporation designated before July 1, 2013, as a distressed political
 27 subdivision.

28 (b) If the board designates a political subdivision **is designated** as
 29 a distressed political subdivision under ~~section 6.5; 6.7; or 7.1~~ of this
 30 chapter, ~~or if a political subdivision is designated as a distressed~~
 31 ~~political subdivision by section 6.8 of this chapter;~~ the board shall
 32 appoint an emergency manager for the distressed political subdivision.
 33 The board shall appoint an emergency manager for a school
 34 corporation designated by ~~section 7.1~~ of this chapter as a fiscally
 35 ~~impaired school corporation.~~ An emergency manager serves at the
 36 pleasure of the board. For purposes of IC 34-13, an emergency manager
 37 appointed under this section is acting on behalf of the distressed
 38 political subdivision and not the state.

39 (c) The chairperson of the board shall oversee the activities of an
 40 emergency manager.

41 (d) Except as provided in this chapter, the distressed political
 42 subdivision shall pay the emergency manager's compensation and



1 reimburse the emergency manager for actual and necessary expenses.

2 (e) A member of a fiscal management board, an emergency
3 manager, a chief financial officer, or a chief academic officer is
4 immune from civil liability for an act or omission within the scope and
5 arising out of the performance of duties prescribed by the board under
6 this chapter. This subsection does not apply to an act or omission that
7 constitutes gross negligence or willful misconduct.

8 (f) The attorney general ~~may~~ **shall** represent a member of a fiscal
9 management board, an emergency manager, a chief financial officer,
10 or a chief academic officer in a legal action arising out of the exercise
11 of powers granted under this chapter, if the member of a fiscal
12 management board, emergency manager, chief financial officer, or
13 chief academic officer makes a written request to the attorney general
14 requesting representation. The attorney general may not represent a
15 member of a fiscal management board, an emergency manager, a chief
16 financial officer, or a chief academic officer under this subsection if the
17 legal action is initiated or the claim is asserted by the member of the
18 fiscal management board, emergency manager, or the distressed
19 political subdivision. If the attorney general represents a member of a
20 fiscal management board, an emergency manager, a chief financial
21 officer, or a chief academic officer under this subsection, the member
22 of a fiscal management board, emergency manager, chief financial
23 officer, or chief academic officer is entitled to recover attorney's fees
24 from the losing party to the extent the member of the fiscal
25 management board, emergency manager, chief financial officer, or
26 chief academic officer prevails. Any attorney's fees recovered shall be
27 deposited in the state general fund.

28 SECTION 11. IC 6-1.1-20.3-8.5, AS AMENDED BY P.L.241-2017,
29 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
30 JULY 1, 2018]: Sec. 8.5. (a) This section does not apply to a school
31 corporation designated before July 1, 2013, as a distressed political
32 subdivision. ~~This section applies to the Muncie Community Schools~~
33 ~~designation under section 7.1 of this chapter only if the board adopts~~
34 ~~a resolution under section 7.1(f)(2) of this chapter designating the~~
35 ~~school corporation as a distressed political subdivision.~~

36 (b) Notwithstanding any other law, an emergency manager of a
37 distressed political subdivision appointed under ~~section 7.5~~ of this
38 chapter shall assume and exercise all of the power, authority, and
39 responsibilities of both the executive and the fiscal body of the political
40 subdivision during the time the political subdivision is a distressed
41 political subdivision. An emergency manager's power, authority, and
42 responsibilities include the following:



- 1 (1) Adopting, amending, and enforcing ordinances and
 2 resolutions relating to or affecting the fiscal stability of the
 3 political subdivision. However, the emergency manager may
 4 impose only those taxes or fees that the political subdivision is
 5 authorized by law to impose.
- 6 (2) Subject to existing labor contracts, setting the salaries and
 7 other compensation of the political subdivision's employees.
- 8 (3) Reviewing existing labor contracts and collective bargaining
 9 agreements, and negotiating and entering into labor contracts and
 10 collective bargaining agreements.
- 11 (4) Adopting a budget for the political subdivision for each
 12 calendar or fiscal year, as applicable, that the political subdivision
 13 remains a distressed political subdivision.
- 14 (5) Approving payrolls and other claims against the political
 15 subdivision before payment.
- 16 (6) Making, approving, or disapproving the following:
- 17 (A) A contract.
- 18 (B) An expenditure.
- 19 (C) A loan.
- 20 (D) The creation of any new position.
- 21 (E) The filling of any vacant position.
- 22 (7) Identifying and implementing labor force reductions.
- 23 (8) Outsourcing services performed by employees of the
 24 distressed political subdivision.
- 25 (9) Renegotiating existing labor contracts and acting as an agent
 26 of the political subdivision in collective bargaining.
- 27 (10) Reducing or suspending salaries of the political subdivision's
 28 employees.
- 29 (11) Entering into agreements with other political subdivisions for
 30 the provision of services.
- 31 (12) Selling assets, including real property, of the distressed
 32 political subdivision. If real property is being sold, any political
 33 subdivision that has territory where the real property is located
 34 and institutions of higher education with real property located in
 35 Indiana shall be given a thirty (30) day first right to make an offer
 36 to purchase the real property. The emergency manager shall
 37 determine whether it is appropriate to accept one (1) of these
 38 offers and shall negotiate the terms and conditions of the sale of
 39 the real property to the offeror. In the case of an emergency
 40 manager appointed for the Gary Community School Corporation,
 41 the emergency manager shall provide written notice to the mayor
 42 of the city of Gary at least thirty (30) days before selling assets



- 1 under this subdivision. If the mayor of the city of Gary notifies the
 2 emergency manager of any concerns or objections regarding the
 3 proposed sale of the asset, the emergency manager must confer
 4 with the mayor regarding those concerns or objections.
- 5 (13) Closing facilities of the distressed political subdivision.
- 6 (14) Requesting technical assistance from the board and state
 7 agencies to assist in carrying out the powers and duties outlined
 8 in this subsection, including assistance from the Indiana
 9 department of administration in evaluating and assessing
 10 facilities.
- 11 (15) Reviewing each contract that is in effect and not covered by
 12 subdivision (3) and, if prudent, renegotiating or canceling the
 13 contract to the extent permitted by the contract.
- 14 (16) Transferring property not needed by the distressed political
 15 subdivision. In the case of an emergency manager appointed for
 16 the Gary Community School Corporation, the emergency manager
 17 shall provide written notice to the mayor of the city of Gary at
 18 least thirty (30) days before transferring property under this
 19 subdivision. If the mayor of the city of Gary notifies the
 20 emergency manager of any concerns or objections regarding the
 21 proposed transfer of the property, the emergency manager must
 22 confer with the mayor regarding those concerns or objections.
- 23 (17) Acquiring real property that is necessary to achieve the goals
 24 expressed in the financial plan.
- 25 (18) **For a school corporation designated as a distressed**
 26 **political subdivision**, requesting a waiver from the application of
 27 IC 6-1.1-20.6-9.8 in order to use IC 6-1.1-20.6-13 regarding the
 28 allocation of protected taxes. To request a waiver, the emergency
 29 manager must submit, before May 1 of the year for which a
 30 waiver is sought, a written request to the board. The board shall
 31 make a determination concerning the request, and if the waiver is
 32 granted the board shall provide, before June 1 of that year, a
 33 written certification of the determination to the department of
 34 local government finance.
- 35 (19) If the distressed political subdivision is a school corporation,
 36 requesting a loan from the counter-cyclical revenue and economic
 37 stabilization fund under IC 6-1.1-21.4-3(b) as provided in section
 38 8.3 of this chapter.
- 39 (20) Petitioning the board to terminate a political subdivision's
 40 status as a distressed political subdivision when the conditions
 41 found in section 6.5 of this chapter are no longer applicable to the
 42 political subdivision and the conditions set forth in section 13(b)



- 1 of this chapter are met.
- 2 (c) An emergency manager of a distressed political subdivision
 3 appointed under section 7.5 of this chapter shall do the following:
- 4 (1) Review the political subdivision's budget.
- 5 (2) Conduct a financial and compliance audit of the internal
 6 operations of the political subdivision.
- 7 (3) Report and make recommendations to the board regarding the
 8 following:
- 9 (A) A written comprehensive financial plan in consultation
 10 with the officials of the political subdivision not later than six
 11 (6) months after appointment.
- 12 (B) A comprehensive long term plan for paying all the
 13 political subdivision's outstanding obligations.
- 14 (4) If the distressed political subdivision is a school corporation,
 15 report and make recommendations to the board regarding the
 16 following:
- 17 (A) The geographic boundaries of the school corporation and
 18 alternative boundaries.
- 19 (B) A long term plan for meeting transportation needs.
- 20 (C) A long term plan for providing educational services.
- 21 (D) A long term plan for providing noneducational services.
- 22 (E) A long term plan for providing adequate personnel and a
 23 plan for compensation.
- 24 (F) The capital plant of the school corporation and a long term
 25 plan for meeting the long term capital plant needs of the
 26 school corporation.
- 27 (G) A new governance structure for the distressed political
 28 subdivision.
- 29 (5) Submit a written report to the board each month concerning
 30 the following:
- 31 (A) Actions taken by the emergency manager.
- 32 (B) Expenditures made by the distressed political subdivision.
- 33 (C) The progress that has been made toward removing the
 34 distressed political subdivision from distressed status.
- 35 (d) Except as provided in section 13(d) of this chapter, an
 36 emergency manager of a distressed political subdivision retains the
 37 powers and duties described in subsections (b) and (c) until:
- 38 (1) the emergency manager resigns or dies;
- 39 (2) the board removes the emergency manager; or
- 40 (3) the political subdivision's status as a distressed political
 41 subdivision is terminated under section 13(b) or 13(c) of this
 42 chapter.



1 SECTION 12. IC 6-1.1-20.3-8.7, AS AMENDED BY P.L.241-2017,
 2 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 2018]: Sec. 8.7. ~~(a) This section applies to the Muncie~~
 4 ~~Community Schools designation under section 7.1 of this chapter only~~
 5 ~~if the board adopts a resolution under section 7.1(f)(2) of this chapter~~
 6 ~~designating the school corporation as a distressed political subdivision:~~

7 ~~(b)~~ A school corporation that is designated a distressed political
 8 subdivision may not do any of the following without the approval of the
 9 board during the period before the board terminates the school
 10 corporation's status as a distressed political subdivision:

- 11 (1) Acquire real property for school building purposes.
- 12 (2) Construct new school buildings or remodel or renovate
- 13 existing school buildings.
- 14 (3) Incur a contractual obligation (except for a maintenance
- 15 contract or an employment contract for a new employee whose
- 16 employment replaces the employment of a former employee) that
- 17 requires an expenditure of more than thirty thousand dollars
- 18 (\$30,000).
- 19 (4) Purchase or enter into an agreement to purchase personal
- 20 property at a cost of more than thirty thousand dollars (\$30,000).
- 21 (5) Adopt or advertise a budget, tax levy, or tax rate for an
- 22 ensuing budget year.

23 SECTION 13. IC 6-1.1-20.3-9.9, AS ADDED BY P.L.241-2017,
 24 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 JULY 1, 2018]: Sec. 9.9. ~~(a) This section applies to the Muncie~~
 26 ~~Community Schools designation under section 7.1 of this chapter only~~
 27 ~~if the board adopts a resolution under section 7.1(f)(2) of this chapter~~
 28 ~~designating the school corporation as a distressed political subdivision:~~
 29 ~~This section does not apply to the Muncie Community Schools while~~
 30 ~~the school corporation is designated as a fiscally impaired school~~
 31 ~~corporation:~~

32 ~~(b)~~ **(a)** A petition may be filed with the board to appeal a decision
 33 by the emergency manager.

34 ~~(c)~~ **(b)** Two hundred fifty (250) or more individuals residing within
 35 the distressed political subdivision who are of the opinion that the
 36 decision by the emergency manager is not fair or reasonable may file
 37 a petition in the office of the county auditor within thirty (30) days after
 38 the decision is made. The petition must set forth the petitioners' names,
 39 addresses, and objections to the decision and the facts showing that the
 40 decision is not fair and reasonable.

41 ~~(d)~~ **(c)** Upon the filing of a petition under subsection ~~(b)~~; **(a)**, the
 42 county auditor shall immediately certify a copy of the petition, together



1 with any other data necessary to present the questions involved, to the
2 board.

3 ~~(e)~~ (d) The board shall schedule a public meeting as soon as
4 practicable to consider the petition.

5 SECTION 14. IC 6-1.1-20.3-13, AS AMENDED BY P.L.241-2017,
6 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7 JULY 1, 2018]: Sec. 13. (a) If:

- 8 ~~(1)~~ an emergency manager of a distressed political subdivision
9 ~~(2) the fiscal body and executive of the political subdivision~~
10 ~~jointly; or~~
11 ~~(3) the governing body of a school corporation that:~~
12 ~~(A) employs a new superintendent; or~~
13 ~~(B) has a new member elected or appointed to its governing~~
14 ~~body;~~
15 ~~during the time the school corporation is a distressed political~~
16 ~~subdivision;~~

17 files a petition with the board for termination of the political
18 subdivision's status as a distressed political subdivision, the board shall
19 conduct a public hearing on the question of whether to terminate the
20 political subdivision's status as a distressed political subdivision.

21 (b) In the case of a political subdivision designated as distressed
22 under ~~section 6.5, 6.8, or 7.1~~ of this chapter, the board shall terminate
23 the political subdivision's status as a distressed political subdivision if
24 the board finds that the conditions found in section 6.5 of this chapter
25 are no longer applicable to the political subdivision and all the
26 following conditions are met:

- 27 (1) The political subdivision has achieved and maintained
28 financial solvency for a period of at least two (2) years, including
29 the following:
30 (A) Maintaining a structurally balanced budget for at least two
31 (2) years.
32 (B) Having no unpaid or past due critical contractual financial
33 obligations or vendor payments.
34 (2) The political subdivision has a fiscal plan that maintains
35 financial solvency for a period of at least five (5) years after the
36 termination of its distressed status.
37 (3) The political subdivision meets all other conditions identified
38 by the board.
39 (4) The board determines that the political subdivision is
40 financially stable.

41 (c) **Notwithstanding subsection (b)**, in the case of a township
42 designated as distressed under section 6.7 of this chapter, the board



1 shall terminate the township's status as a distressed political
 2 subdivision if the board finds that the township's township assistance
 3 property tax rate (as defined in section 6.7(a) of this chapter) for the
 4 current calendar year is not more than the result of:

5 (1) the statewide average township assistance property tax rate (as
 6 determined by the department of local government finance) for
 7 property taxes first due and payable in the preceding year;
 8 multiplied by

9 (2) twelve (12).

10 (d) Notwithstanding any other section of this chapter, not later than
 11 ninety (90) days after taking office, a new executive of a distressed
 12 political subdivision may petition the board for suspension of the
 13 political subdivision's distressed status. In the case of a political
 14 subdivision designated as distressed under section 6.5 of this chapter,
 15 the executive must include in its petition a written plan to resolve the
 16 applicable issues described in section 6.5 of this chapter. In the case of
 17 a township designated as distressed under section 6.7 of this chapter,
 18 the executive must include in its petition a written plan to lower the
 19 township's township assistance property tax rate (as defined in section
 20 6.7(a) of this chapter). If the board approves the executive's written
 21 plan, the board may suspend the political subdivision's distressed status
 22 for one hundred eighty (180) days. Suspension under this chapter
 23 terminates automatically upon expiration of the one hundred eighty
 24 (180) day period. The board may consider a petition to terminate the
 25 political subdivision's distressed status during a period of suspension.

26 SECTION 15. IC 6-1.1-20.3-15, AS AMENDED BY P.L.255-2017,
 27 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JANUARY 1, 2019]: Sec. 15. (a) The executive of a political
 29 subdivision or a majority of the members of the fiscal body of a
 30 political subdivision may request technical assistance from the board
 31 in helping prevent the political subdivision from becoming a distressed
 32 political subdivision. The board, by using the health fiscal indicators
 33 developed under ~~IC 5-14-3.7-16~~ **IC 20-19-7** or IC 5-14-3.8-8, shall
 34 determine whether to provide assistance to the political subdivision.

35 (b) The board may do any of the following for a political subdivision
 36 that receives assistance under subsection (a):

37 (1) Provide information and technical assistance with respect to
 38 the data management, accounting, or other aspects of the fiscal
 39 management of the political subdivision.

40 (2) Assist the political subdivision in obtaining assistance from
 41 state agencies and other resources.

42 SECTION 16. IC 6-1.1-20.3-16 IS ADDED TO THE INDIANA



1 CODE AS A NEW SECTION TO READ AS FOLLOWS
 2 [EFFECTIVE JULY 1, 2018]: **Sec. 16. (a) This section applies to a**
 3 **school corporation during the time the school corporation is a**
 4 **distressed political subdivision.**

5 (b) The governing body of the distressed political subdivision
 6 may not meet more often than once every six (6) months.

7 (c) A per diem may not be paid to a member of the governing
 8 body of the distressed political subdivision.

9 (d) The emergency manager is the school employer for purposes
 10 of IC 20-29-5.

11 (e) The emergency manager may cancel a teacher's contract as
 12 part of a reduction in force. Unless a provision in a teacher's
 13 contract or a collective bargaining agreement entered into or
 14 renewed before July 1, 2018, provides otherwise, notification due
 15 to a reduction in force may be delivered after September 30 of the
 16 contract year. However, the maximum reduction in force under
 17 this subsection may not exceed five percent (5%) of the full-time
 18 equivalency for all certificated employees in the certificated
 19 employee bargaining unit for the school corporation. The
 20 emergency manager shall provide any employee whose contract is
 21 being canceled with at least ninety (90) days prior notice.

22 SECTION 17. IC 20-19-7 IS ADDED TO THE INDIANA CODE
 23 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 24 JULY 1, 2018]:

25 **Chapter 7. School Corporation Financial Condition Analysis**

26 **Sec. 1. (a) The fiscal and qualitative indicators committee shall**
 27 **determine the fiscal and qualitative indicators to be used for**
 28 **evaluating the financial condition of each school corporation.**

29 (b) The fiscal indicators under subsection (a) may include the
 30 following factors:

31 Annual capital expenses compared to total capital assets

32 Average daily membership (ADM)

33 Common school fund loans

34 Controlled project fund referendum revenue

35 Debt to assessed value and debt to ADM ratios

36 Education fund referendum revenue

37 Federal revenues

38 Fund cash balances by fund and overall

39 Fund deficits and surpluses by fund and overall

40 Fund deficits and surpluses combining the education and
 41 operations fund and debt

42 Gross expenditures per ADM



- 1 **Interfund transfers**
 2 **Operating deficit or surplus**
 3 **Outstanding debt and annual debt service obligations**
 4 **Qualitative indicators as set forth in subsection (c)**
 5 **Salaries and benefits**
 6 **Seven (7) year trend lines using state fiscal years**
 7 **State tuition support.**
- 8 **(c) The qualitative indicators under subsection (a) may include**
 9 **the following factors:**
- 10 **Failure to make required contributions or transfers**
 11 **Issuance of judgment bonds**
 12 **Missed debt payments**
 13 **Missed payroll**
 14 **Past due vendor payments**
 15 **Any findings related to the financial condition of the school**
 16 **corporation by the Indiana education employment relations**
 17 **board.**
- 18 **Sec. 2. (a) The management performance hub shall prescribe the**
 19 **presentation of the information of the fiscal and qualitative**
 20 **indicators used under this chapter and the financial condition of**
 21 **each school corporation.**
- 22 **(b) The information under subsection (a) must be presented in**
 23 **a manner that accomplishes the following:**
- 24 **(1) The information must be conveniently and easily accessed**
 25 **from a single Internet web page.**
 26 **(2) The information must be viewable in a format commonly**
 27 **known as an Internet dashboard.**
 28 **(3) The information must be viewable in graphical form.**
 29 **(4) The information must be easily searchable.**
 30 **(5) The underlying data must be downloadable in a format**
 31 **that can be imported into standard spreadsheet computer**
 32 **software.**
- 33 **(c) The distressed unit appeal board shall periodically publish**
 34 **the information under subsection (a) on its Internet web site or the**
 35 **management performance hub's Internet web site. The**
 36 **management performance hub shall assist the distressed unit**
 37 **appeal board in the development of the dashboard for publication.**
 38 **The initial publication must be on or before January 1, 2019.**
- 39 **Sec. 3. The executive director of the distressed unit appeal board**
 40 **may initiate contact with the chairperson of the governing body**
 41 **and the superintendent of a school corporation to assess the school**
 42 **corporation's financial condition. The school corporation shall**



1 cooperate with the executive director and provide any information
 2 requested. The executive director shall report to the state budget
 3 committee the process and procedures that will be used during the
 4 time period between:

- 5 (1) initiating contact with the chairperson of the governing
 6 body of the school corporation that may become either fiscally
 7 impaired or a distressed political subdivision under
 8 IC 6-1.1-20.3; and
 9 (2) being placed on the watch list.

10 The report must include what factors are considered in causing a
 11 school corporation to be placed on the watch list under section 6 of
 12 this chapter, if there are critical fund issues that cause school
 13 corporations to be on the watch list, and when the watch list will
 14 become a public record.

15 Sec. 4. (a) The executive director of the distressed unit appeal
 16 board shall prepare a report identifying each school corporation
 17 whose financial condition indicates the potential to become a
 18 distressed political subdivision under IC 6-1.1-20.3, based on the
 19 thresholds for financial impairment or distress identified by the
 20 fiscal and qualitative indicators committee.

21 (b) Before June 1 of each year, the executive director of the
 22 distressed unit appeal board shall present the report under
 23 subsection (a) to the distressed unit appeal board and make
 24 recommendations concerning what actions could be taken to
 25 improve the financial condition of each school corporation covered
 26 by the report.

27 Sec. 5. The distressed unit appeal board may enter into an
 28 agreement with a school corporation to develop a corrective action
 29 plan if the distressed unit appeal board determines that a
 30 corporation shows signs of becoming either:

- 31 (1) fiscally impaired; or
 32 (2) a distressed political subdivision under IC 6-1.1-20.3.

33 Sec. 6. (a) Before July 1, 2019, and July 1 of each year
 34 thereafter, the distressed unit appeal board shall make a
 35 determination of which schools are being placed on a watch list.

36 (b) If a school corporation is on a watch list for four (4)
 37 consecutive years, the Indiana Association of Public School
 38 Superintendents shall decide if it is appropriate to recommend to
 39 the Indiana department of education whether disciplinary action
 40 should be taken by the department regarding the superintendent.

41 Sec. 7. Before August 1, 2019, and August 1 of each year
 42 thereafter, the distressed unit appeal board shall provide the



1 report and watch list to the legislative council in an electronic
2 format under IC 5-14-6.

3 **Sec. 8. (a) Notwithstanding sections 1 and 2 of this chapter, the**
4 **fiscal and qualitative indicators committee is established to make**
5 **the following determinations:**

6 (1) **The initial determination of the fiscal and qualitative**
7 **indicators to be used for evaluating the financial condition of**
8 **each school corporation.**

9 (2) **The initial determination of the information that is to be**
10 **presented on the management performance hub's Internet**
11 **web site.**

12 (3) **The initial determination of how frequently to update:**

13 (A) **the fiscal and qualitative indicators being used to**
14 **evaluate the financial condition of school corporations; and**

15 (B) **the presentation of information on the management**
16 **performance hub's Internet web site.**

17 **Before making the initial determinations, the committee shall**
18 **report its findings, recommendations, and procedures to the state**
19 **budget committee.**

20 (b) **The members of the committee must be employees of, and**
21 **appointed by, each of the following:**

22 (1) **The distressed unit appeal board.**

23 (2) **The department of education.**

24 (3) **The budget agency.**

25 (4) **The state board of accounts.**

26 (5) **The department of local government finance.**

27 (6) **The management performance hub.**

28 **In addition, a member of the Indiana Association of School**
29 **Business Officials appointed by the Association's board of directors**
30 **is a member of the committee.**

31 (c) **The member appointed by the distressed unit appeal board**
32 **is the chairperson of the committee.**

33 (d) **Members serve at the pleasure of the appointing authority.**

34 (e) **This section expires June 30, 2019.**

35 SECTION 18. IC 20-23-12-3, AS AMENDED BY P.L.179-2011,
36 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
37 JULY 1, 2018]: Sec. 3. (a) **The governing body of the school**
38 **corporation is the emergency manager appointed by the distressed**
39 **unit appeal board under IC 6-1.1-20.3. The school corporation**
40 **shall also have an advisory committee that consists of seven (7)**
41 **members elected as follows:**

42 (1) **On a nonpartisan basis.**



1 (2) In a general election in the county.

2 **The advisory committee is created to provide nonbinding**
 3 **recommendations to the emergency manager.**

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

6 (1) is elected from the school district in which the member
 7 resides; and

8 (2) upon election and in conducting the business of the governing
 9 body, represents the interests of the entire school corporation.

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

11 (1) is the at-large member of the governing body;

12 (2) may reside in any of the districts drawn under section 4 of this
 13 chapter; and

14 (3) upon election and in conducting the business of the governing
 15 body, represents the interests of the entire school corporation.

16 **(d) A per diem may not paid to a member.**

17 **(e) The advisory committee may hold a public meeting subject**
 18 **to the limits on the number of meetings set forth in**
 19 **IC 6-1.1-20.3-6.8(d). The advisory committee is subject to**
 20 **IC 5-14-1.5 (the open door law) for these meetings. The advisory**
 21 **committee may hold additional meetings that are authorized as**
 22 **executive sessions under IC 5-14-1.5 (the open door law) as**
 23 **provided in IC 5-14-1.5-6.1. The advisory committee is subject to**
 24 **the public notice requirements of IC 5-14-1.5 (the open door law)**
 25 **for these additional meetings. The records of the advisory**
 26 **committee are subject to IC 5-14-3 (access to public records).**

27 SECTION 19. IC 20-23-12-5, AS AMENDED BY P.L.1-2006,
 28 SECTION 318, IS AMENDED TO READ AS FOLLOWS
 29 [EFFECTIVE JULY 1, 2018]: Sec. 5. (a) The six (6) members who are
 30 elected for a position on the ~~governing body~~ **advisory committee**
 31 described under section 3(b) of this chapter are determined as follows:

32 (1) Each prospective candidate must file a nomination petition
 33 with the board of elections and registration not earlier than one
 34 hundred four (104) days and not later than noon seventy-four (74)
 35 days before the election at which the members are to be elected
 36 that includes the following information:

37 (A) The name of the prospective candidate.

38 (B) The district in which the prospective candidate resides.

39 (C) The signatures of at least one hundred (100) registered
 40 voters residing in the school corporation.

41 (D) The fact that the prospective candidate is running for a
 42 district position.



- 1 (E) A certification that the prospective candidate meets the
- 2 qualifications for candidacy imposed by this chapter.
- 3 (2) Only eligible voters residing in the district may vote for a
- 4 candidate.
- 5 (3) The candidate within each district who receives the greatest
- 6 number of votes in the district is elected.
- 7 (b) The at-large member elected under section 3(c) of this chapter
- 8 is determined as follows:
- 9 (1) Each prospective candidate must file a nomination petition
- 10 with the clerk of the circuit court at least seventy-four (74) days
- 11 before the election at which the at-large member is to be elected.
- 12 The petition must include the following information:
- 13 (A) The name of the prospective candidate.
- 14 (B) The signatures of at least one hundred (100) registered
- 15 voters residing within the school corporation.
- 16 (C) The fact that the prospective candidate is running for the
- 17 at-large position on the ~~governing body~~; **advisory committee**.
- 18 (D) A certification that the prospective candidate meets the
- 19 qualifications for candidacy imposed by this chapter.
- 20 (2) Only eligible voters residing in the school corporation may
- 21 vote for a candidate.
- 22 (3) The candidate who:
- 23 (A) runs for the at-large position on the ~~governing body~~;
- 24 **advisory committee**; and
- 25 (B) receives the greatest number of votes in the school
- 26 corporation;
- 27 is elected to the at-large position.
- 28 SECTION 20. IC 20-23-12-6, AS ADDED BY P.L.1-2005,
- 29 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 30 JULY 1, 2018]: Sec. 6. (a) A candidate who runs for a position on the
- 31 ~~governing body~~ **advisory committee** described under section 3(b) of
- 32 this chapter must reside in the school corporation district for which the
- 33 candidate filed.
- 34 (b) A candidate who runs for the at-large position on the ~~governing~~
- 35 ~~body~~ **advisory committee** described in section 3(c) of this chapter
- 36 must reside in the school corporation.
- 37 SECTION 21. IC 20-23-12-8, AS AMENDED BY P.L.219-2013,
- 38 SECTION 82, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 39 JULY 1, 2018]: Sec. 8. (a) The term of each person elected to serve on
- 40 the ~~governing body~~ **advisory committee** is four (4) years.
- 41 (b) The term of each person elected to serve on the ~~governing body~~
- 42 **advisory committee** begins on the date set in the school corporation's



1 organization plan. The date set in the organization plan for an elected
 2 member of the ~~governing body~~ **advisory committee** to take office may
 3 not be more than fourteen (14) months after the date of the member's
 4 election. If the school corporation's organization plan does not set a
 5 date for an elected member of the ~~governing body~~ **advisory committee**
 6 to take office, the member takes office January 1 that immediately
 7 follows the person's election.

8 SECTION 22. IC 20-23-12-10, AS ADDED BY P.L.1-2005,
 9 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 JULY 1, 2018]: Sec. 10. (a) A vacancy on the ~~governing body~~ **advisory**
 11 **committee** is created when:

12 (1) a member:

13 (A) dies;

14 (B) resigns from the ~~governing body~~; **advisory committee**;

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

16 (D) fails to attend, except for reason of chronic illness, six (6)
 17 regularly scheduled meetings of the ~~governing body~~ **advisory**
 18 **committee** in any twelve (12) month period; or

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

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

22 (b) The ~~governing body~~ **advisory committee** shall temporarily fill
 23 a vacancy on the ~~governing body~~ **advisory committee** as soon as
 24 practicable after the vacancy occurs.

25 SECTION 23. IC 20-23-12-11, AS ADDED BY P.L.1-2005,
 26 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 JULY 1, 2018]: Sec. 11. Before August 1 of each year, the school
 28 corporation shall file with the state superintendent a list of the:

29 (1) names and addresses of members of the school corporation's
 30 ~~governing body~~; **advisory committee**;

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

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

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

36 SECTION 24. IC 20-23-18 IS ADDED TO THE INDIANA CODE
 37 AS A **NEW CHAPTER** TO READ AS FOLLOWS [EFFECTIVE
 38 UPON PASSAGE]:

39 **Chapter 18. Muncie Community School Corporation**

40 **Sec. 1. This chapter applies only to the Muncie Community**
 41 **school corporation and only if the Ball State University board of**
 42 **trustees adopts a resolution to take advantage of the relationship**



1 between Ball State University and the Muncie Community school
 2 corporation and to be governed by this chapter. The resolution
 3 must be adopted before June 1, 2018.

4 Sec. 2. The general assembly finds that provisions of this
 5 chapter:

6 (1) are necessary to address unique issues faced by the Muncie
 7 Community school corporation;

8 (2) are necessary to take advantage of the relationship
 9 between Ball State University and the Muncie Community
 10 school corporation; and

11 (3) are not precedent for and may not be appropriate for
 12 issues faced by other school corporations.

13 Sec. 3. (a) Except as provided in subsection (c), the Muncie
 14 Community school corporation is subject to all applicable federal
 15 and state laws.

16 (b) If a provision of this chapter conflicts with any other law,
 17 including IC 20-23-4, the provision in this chapter controls.

18 (c) Notwithstanding subsection (a), to provide all administrative
 19 and academic flexibility to implement innovative strategies, the
 20 Muncie Community school corporation is subject only to the
 21 following IC 20 provisions:

22 (1) IC 20-28-5-8 (conviction of certain felonies; notice and
 23 hearing; permanent revocation of license; data base of school
 24 employees who have been reported).

25 (2) IC 20-30-3-2 and IC 20-30-3-4 (patriotic commemorative
 26 observances).

27 (3) IC 20-32-4, concerning graduation requirements.

28 (4) IC 20-32-5.1, concerning the Indiana's Learning
 29 Evaluation Assessment Readiness Network (ILEARN)
 30 program.

31 (5) IC 20-35, concerning special education.

32 (6) IC 20-39 (accounting and financial reporting procedures).

33 (7) IC 20-40 (government funds and accounts).

34 (8) IC 20-41 (extracurricular funds and accounts).

35 (9) IC 20-42 (fiduciary funds and accounts).

36 (10) IC 20-42.5 (allocation of expenditures to student
 37 instruction and learning).

38 (11) IC 20-43 (state tuition support).

39 (12) IC 20-44 (property tax levies).

40 (13) IC 20-46 (levies other than general fund levies).

41 (14) IC 20-47 (related entities; holding companies; lease
 42 agreements).



- 1 (15) IC 20-48 (borrowing and bonds).
 2 (16) IC 20-49 (state management of common school funds;
 3 state advances and loans).
 4 (17) IC 20-50 (concerning homeless children and foster care
 5 children).
 6 **Sec. 4. If the Ball State University board of trustees adopts a
 7 resolution to take advantage of the relationship between Ball State
 8 University and the Muncie Community school corporation and be
 9 governed by this chapter, the distressed unit appeal board shall
 10 terminate Muncie Community school corporation's designation as
 11 a distressed political subdivision by July 1, 2018.**
 12 **Sec. 5. (a) Consistent with IC 20-23-4-26, the Muncie
 13 Community school corporation retains all of the characteristics of
 14 a community school corporation.**
 15 **(b) The governing body of the Muncie Community school
 16 corporation has all the powers, rights, duties, and obligations of a
 17 community school corporation.**
 18 **(c) For the purposes of annual budgeting, IC 6-1.1-17-20 does
 19 not apply to the governing body. The governing body is considered
 20 a governing body with the majority of members elected for the
 21 purposes of annual budgeting.**
 22 **Sec. 6. (a) If the Ball State University board of trustees adopts
 23 a resolution to take advantage of the relationship between Ball
 24 State University and the Muncie Community school corporation
 25 and be governed by this chapter, the following apply:**
 26 **(1) Beginning July 1, 2018, the governing body of the Muncie
 27 Community school corporation consists of seven (7) members.**
 28 **(2) The members of the governing body shall be appointed as
 29 follows:**
 30 **(A) Five (5) members shall be appointed by the Ball State
 31 University board of trustees from individuals nominated
 32 by the president of Ball State University.**
 33 **(B) One (1) member shall be appointed by the President of
 34 Ball State University from a list of three (3) individuals
 35 nominated by the Muncie city council. These individuals
 36 must reside within the boundaries of the Muncie
 37 Community school corporation district.**
 38 **(C) One (1) member shall be appointed by the President of
 39 Ball State University from a list of three (3) individuals
 40 nominated by the mayor of Muncie. These individuals
 41 must reside within the boundaries of the Muncie
 42 Community school corporation district.**



1 **(3) The terms for the initial members of the governing body**
 2 **are as follows:**

3 **(A) One (1) member appointed under subdivision (2)(A)**
 4 **shall serve an initial term of one (1) year.**

5 **(B) One (1) member appointed under subdivision (2)(A)**
 6 **shall serve an initial term of two (2) years.**

7 **(C) One (1) member appointed under subdivision (2)(A)**
 8 **shall serve an initial term of three (3) years.**

9 **(D) Two (2) members appointed under subdivision (2)(A)**
 10 **and each member appointed under subdivision (2)(B) and**
 11 **(2)(C) shall serve an initial term of four (4) years.**

12 **After these initial terms, each member's term is four (4) years.**

13 **A member's term expires June 30 in the applicable year.**

14 **(b) A member of the governing body serves at the pleasure of**
 15 **the appointing authority.**

16 **(c) Before making appointments to the governing body under**
 17 **this section, the Ball State University board of trustees shall adopt**
 18 **a policy prohibiting nepotism and a policy prohibiting conflicts of**
 19 **interest with regard to the appointment of members of the**
 20 **governing body by the Ball State University board of trustees and**
 21 **the President of Ball State University.**

22 **Sec. 7. The Muncie Community school corporation shall engage**
 23 **academically innovative strategies for:**

24 **(1) developing, testing, and evaluating new methods of**
 25 **instruction and materials;**

26 **(2) comparing new methods with conventional methods in use;**
 27 **and**

28 **(3) training teachers in new methods of instruction and**
 29 **materials, as is found acceptable.**

30 **Sec. 8. Notwithstanding any other law, the Muncie Community**
 31 **school corporation may not receive a decrease in state funding**
 32 **based upon the Muncie Community school corporation's status as**
 33 **a distressed school corporation under IC 6-1.1-20.3 or because of**
 34 **the implementation of a waiver of a statute or rule that is allowed**
 35 **to be waived by the Muncie Community school corporation.**

36 **Sec. 9. Not later than June 30, 2020, the governing body of the**
 37 **Muncie Community school corporation shall provide to the**
 38 **distressed unit appeal board, the state superintendent of public**
 39 **instruction, and the Indiana commissioner for higher education a**
 40 **report on the plan for the long term fiscal viability and academic**
 41 **innovation of the Muncie Community school corporation. The plan**
 42 **must include goals, metrics, and benchmarks for evaluating the**



1 effectiveness of the plan.

2 **Sec. 10. (a)** Not later than October 31, 2021, and by October 31
3 in each subsequent year, the governing body of the Muncie
4 Community school corporation shall provide a report to the
5 chairperson of the distressed unit appeal board, the superintendent
6 of public instruction, and the Indiana commissioner for higher
7 education.

8 **(b)** The report required in subsection (a) must outline the
9 following:

10 (1) Progress toward goals, metrics, and benchmarks
11 concerning fiscal viability and academic innovation.

12 (2) Innovative methods of instruction being used in the
13 Muncie Community school corporation.

14 (3) A comparison of the results obtained by the innovative
15 methods of instruction with conventional methods of
16 instruction.

17 (4) Any recommendations concerning the innovative methods
18 of instruction and their general applicability for public
19 schools.

20 **Sec. 11.** If Ball State University enters into a contract with the
21 Muncie Community school corporation in an amount that exceeds
22 twenty-five thousand dollars (\$25,000), the contract must be
23 reviewed and approved by the distressed unit appeal board.

24 **Sec. 12. (a)** The president of Ball State University, the members
25 of the Ball State University board of trustees, and any other officer
26 or employee of Ball State University are immune from civil liability
27 for actions taken by the governing body of the Muncie Community
28 school corporation or any action taken under the authority of this
29 chapter. This subsection does not apply to any officers or
30 employees of the university insofar as they are acting as a member
31 of the governing body of the school corporation.

32 **(b)** The governing body of the Muncie Community school
33 corporation may provide:

34 (1) for the defense of persons described in subsection (a) in
35 any suit arising out of the performance of the person's duties
36 for, or employment with, the state educational institution, if
37 the governing body, by resolution, determines that the action
38 was taken in good faith; and

39 (2) for protecting any person described in subsection (a) from
40 any liability, cost, or damage in connection with the
41 performance of the person's duties for, or employment with,
42 the governing body, including the payment of any legal fees,



1 **except when the liability, cost, or damage is:**

2 **(A) predicated on, or arises out of, the bad faith of the**
3 **person; or**

4 **(B) based on the person's malfeasance in office or**
5 **employment.**

6 **Sec. 13. (a) During the period beginning July 1, 2018, and**
7 **ending June 30, 2022, the distressed unit appeal board shall**
8 **provide financial support to the Muncie Community school**
9 **corporation in an amount at least equivalent to the amount of**
10 **compensation that would have been provided to an emergency**
11 **manager of the Muncie Community school corporation if the**
12 **school corporation had retained the designation of a distressed**
13 **political subdivision.**

14 **(b) Financial assistance granted under subsection (a) shall be**
15 **provided directly to the school corporation.**

16 SECTION 25. IC 20-28-7.5-2, AS AMENDED BY P.L.208-2017,
17 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
18 JULY 1, 2018]: Sec. 2. (a) Before a teacher's contract is canceled, the
19 teacher has the following rights:

20 (1) The principal or superintendent shall notify the teacher of the
21 principal's or superintendent's preliminary decision. The
22 notification must be:

23 (A) in writing; and

24 (B) delivered in person or mailed by registered or certified
25 mail to the teacher at the teacher's last known address.

26 (2) The notice in subdivision (1) must include a written statement,
27 subject to IC 5-14-3-4, giving the reasons for the preliminary
28 decision.

29 (3) Notification due to a reduction in force must be delivered
30 between May 1 and July 1.

31 **However, in the case of a school corporation that is a distressed**
32 **political subdivision under IC 6-1.1-20.3, IC 6-1.1-20.3-16 applies**
33 **to the cancellation of a teacher's contract instead of this section.**

34 (b) For a cancellation of a teacher's contract for a reason other than
35 a reduction in force, the notice required under subsection (a)(1) must
36 inform the teacher that, not later than five (5) days after the teacher's
37 receipt of the notice, the teacher may request a private conference with
38 the superintendent or the assistant superintendent. The superintendent
39 or the assistant superintendent, as applicable, must set the requested
40 meeting not later than ten (10) days after the request.

41 (c) At the conference between the superintendent or the assistant
42 superintendent, as applicable, and the teacher, the teacher may be



1 accompanied by a representative.

2 (d) After the conference between the superintendent or the assistant
3 superintendent, as applicable, and the teacher, the superintendent or the
4 assistant superintendent, whoever attended the conference, shall make
5 a written recommendation to the governing body of the school
6 corporation regarding the cancellation of the teacher's contract.

7 (e) If the teacher does not request a conference under subsection (b),
8 the principal's or superintendent's preliminary decision is considered
9 final.

10 (f) If a probationary, professional, or established teacher files a
11 request with the governing body for an additional private conference
12 not later than five (5) days after the initial private conference with the
13 superintendent or the assistant superintendent, as applicable, the
14 teacher is entitled to an additional private conference with the
15 governing body before the governing body makes a final decision. The
16 final decision must be in writing and must be made not more than thirty
17 (30) days after the governing body receives the teacher's request for the
18 additional private conference. At the private conference the governing
19 body shall do the following:

20 (1) Allow the teacher to present evidence to refute the reason or
21 reasons for contract cancellation and supporting evidence
22 provided by the school corporation. Any evidence presented at the
23 private conference must have been exchanged by the parties at
24 least seven (7) days before the private conference.

25 (2) Consider whether a preponderance of the evidence supports
26 the cancellation of the teacher's contract.

27 SECTION 26. IC 34-30-2-84.8 IS ADDED TO THE INDIANA
28 CODE AS A NEW SECTION TO READ AS FOLLOWS
29 [EFFECTIVE JULY 1, 2018]: **Sec. 84.8. IC 20-23-18-12 (Concerning**
30 **Ball State University and the Muncie Community school**
31 **corporation).**

32 SECTION 27. **An emergency is declared for this act.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1315, 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 4, line 37, delete "adopt a resolution to".
- Page 4, line 37, delete "authority" and insert "**duty, authority**".
- Page 5, line 34, strike "meet" and insert "**hold a public meeting**".
- Page 5, line 34, delete "six" and insert "**three (3)**".
- Page 5, line 35, delete "(6)".
- Page 5, line 35, delete "meeting" and insert "**forum to provide an update on the Gary Community school corporation**".
- Page 7, line 28, strike "(1) One (1) member appointed by the".
- Page 7, line 28, delete "distressed".
- Page 7, delete line 29.
- Page 7, line 30, strike "(2)" and insert "**(1)**".
- Page 7, line 31, strike "(3)" and insert "**(2)**".
- Page 7, line 34, strike "(4)" and insert "**(3)**".
- Page 8, delete lines 17 through 18, begin a new line block indented and insert:
 - "(3) A member of the ~~governing body~~ **advisory committee** may not serve as a member of the fiscal management board."
- Page 8, line 19, reset in roman "(4)".
- Page 8, line 19, delete "(3)".
- Page 8, line 24, reset in roman "(5)".
- Page 8, line 24, delete "(4)".
- Page 8, line 27, reset in roman "(6)".
- Page 8, line 27, delete "(5)".
- Page 8, line 32, reset in roman "(7)".
- Page 8, line 32, delete "(6)".
- Page 8, line 42, reset in roman "(8)".
- Page 8, line 42, delete "(7)".
- Page 9, line 12, delete "The" and insert "**Before July 1, 2019**, the".
- Page 9, line 16, reset in roman "determined by".
- Page 9, line 17, reset in roman "and".
- Page 9, line 39, delete "The" and insert "**Before July 1, 2019**, the".
- Page 10, line 1, reset in roman "determined by".
- Page 10, line 2, reset in roman "and".
- Page 14, line 11, strike "and".
- Page 14, line 13, delete "." and insert "; **and**".
- Page 14, between lines 13 and 14, begin a new line block indented



and insert:

"(3) are consistent with the board designating the Muncie Community school corporation as a distressed political subdivision effective January 1, 2018."

Page 14, line 31, after "corporation." begin a new paragraph and insert:

"(c)".

Page 14, line 31, reset in roman "Notwithstanding section 7.5(d) of this chapter,".

Page 14, reset in roman lines 32 through 34.

Page 14, line 35, reset in roman "appropriated to the board.".

Page 17, line 21, delete "(c)" and insert **"(d)"**.

Page 17, line 24, delete "recommend" and insert **"recommend, before July 1, 2020,"**.

Page 19, line 24, strike "section 7.5 of".

Page 26, delete lines 9 through 35.

Page 26, line 40, delete "management performance hub" and insert **"fiscal and qualitative indicators committee"**.

Page 27, line 28, delete "payments." and insert **"payments"**.

Page 27, between lines 28 and 29, begin a new line block indented and insert:

"Any findings related to the financial condition of the school corporation by the Indiana education employment relations board."

Page 28, line 2, delete "management performance hub" and insert **"distressed unit appeal board"**.

Page 28, line 3, delete "site." and insert **"site or the management performance hub's Internet web site. The management performance hub shall assist the distressed unit appeal board in the development of the dashboard for publication."**

Page 28, line 8, after "condition." insert **"The school corporation shall cooperate with the executive director and provide any information requested. The executive director shall report to the state budget committee the process and procedures that will be used during the time period between:**

(1) initiating contact with the chairperson of the governing body of the school corporation that may become either fiscally impaired or a distressed political subdivision under IC 6-1.1-20.3; and

(2) being placed on the watch list.

The report must include what factors are considered in causing a school corporation to be placed on the watch list under section 6 of



this chapter, if there are critical fund issues that cause school corporations to be on the watch list, and when the watch list will become a public record."

Page 28, line 11, delete "either:" and insert "**a distressed political subdivision under IC 6-1.1-20.3, based on the thresholds for financial impairment or distress identified by the fiscal and qualitative indicators committee.**".

Page 28, delete lines 12 through 13.

Page 28, line 14, delete "September" and insert "**June**".

Page 28, line 26, delete "October 1 of each year," and insert "**July 1, 2019, and July 1 of each year thereafter,**".

Page 28, line 30, delete "the school corporation's superintendent's license" and insert "**the Indiana Association of Public School Superintendents shall decide if it is appropriate to recommend to the Indiana department of education whether disciplinary action should be taken by the department regarding the superintendent.**".

Page 28, delete line 31.

Page 28, line 32, delete "November 1 of each year," and insert "**August 1, 2019, and August 1 of each year thereafter,**".

Page 29, between lines 6 and 7, begin a new line blocked left and insert:

"Before making the initial determinations, the committee shall report its findings, recommendations, and procedures to the state budget committee."

Page 29, between lines 17 and 18, begin a new paragraph and insert:

"(c) The member appointed by the distressed unit appeal board is the chairperson of the committee."

Page 29, line 18, delete "(c)" and insert "(d)".

Page 29, line 19, delete "(d)" and insert "(e)".

Page 29, between lines 28 and 29, begin a new line blocked left and insert:

"The advisory committee is created to provide nonbinding recommendations to the emergency manager."

Page 29, between lines 41 and 42, begin a new paragraph and insert:

"(e) The advisory committee may hold a public meeting subject to the limits on the number of meetings set forth in IC 6-1.1-20.3-6.8(d). The advisory committee is subject to IC 5-14-1.5 (the open door law) for these meetings. The advisory committee may hold additional meetings that are authorized as executive sessions under IC 5-14-1.5 (the open door law) as provided in IC 5-14-1.5-6.1. The advisory committee is subject to the public notice requirements of IC 5-14-1.5 (the open door law)



for these additional meetings. The records of the advisory committee are subject to IC 5-14-3 (access to public records)."

Page 32, delete lines 9 through 42.

Page 33, delete lines 1 through 6, begin a new paragraph and insert:
"SECTION 25. IC 20-23-18 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 18. Muncie Community School Corporation

Sec. 1. This chapter applies only to the Muncie Community school corporation and only if the Ball State University board of trustees adopts a resolution to take advantage of the relationship between Ball State University and the Muncie Community school corporation and to be governed by this chapter. The resolution must be adopted before June 1, 2018.

Sec. 2. The general assembly finds that provisions of this chapter:

- (1) are necessary to address unique issues faced by the Muncie Community school corporation;
- (2) are necessary to take advantage of the relationship between Ball State University and the Muncie Community school corporation; and
- (3) are not precedent for and may not be appropriate for issues faced by other school corporations.

Sec. 3. (a) Except as provided in subsection (c), the Muncie Community school corporation is subject to all applicable federal and state laws.

(b) If a provision of this chapter conflicts with any other law, including IC 20-23-4, the provision in this chapter controls.

(c) Notwithstanding subsection (a), to provide all administrative and academic flexibility to implement innovative strategies, the Muncie Community school corporation is subject only to the following IC 20 provisions:

- (1) IC 20-28-5-8 (conviction of certain felonies; notice and hearing; permanent revocation of license; data base of school employees who have been reported).
- (2) IC 20-30-3-2 and IC 20-30-3-4 (patriotic commemorative observances).
- (3) IC 20-32-4, concerning graduation requirements.
- (4) IC 20-32-5.1, concerning the Indiana's Learning Evaluation Assessment Readiness Network (ILEARN) program.
- (5) IC 20-35, concerning special education.



- (6) IC 20-39 (accounting and financial reporting procedures).
- (7) IC 20-40 (government funds and accounts).
- (8) IC 20-41 (extracurricular funds and accounts).
- (9) IC 20-42 (fiduciary funds and accounts).
- (10) IC 20-42.5 (allocation of expenditures to student instruction and learning).
- (11) IC 20-43 (state tuition support).
- (12) IC 20-44 (property tax levies).
- (13) IC 20-46 (levies other than general fund levies).
- (14) IC 20-47 (related entities; holding companies; lease agreements).
- (15) IC 20-48 (borrowing and bonds).
- (16) IC 20-49 (state management of common school funds; state advances and loans).
- (17) IC 20-50 (concerning homeless children and foster care children).

Sec. 4. If the Ball State University board of trustees adopts a resolution to take advantage of the relationship between Ball State University and the Muncie Community school corporation and be governed by this chapter, the distressed unit appeal board shall terminate Muncie Community school corporation's designation as a distressed political subdivision by July 1, 2018.

Sec. 5. (a) Consistent with IC 20-23-4-26, the Muncie Community school corporation retains all of the characteristics of a community school corporation.

(b) The governing body of the Muncie Community school corporation has all the powers, rights, duties, and obligations of a community school corporation.

(c) For the purposes of annual budgeting, IC 6-1.1-17-20 does not apply to the governing body. The governing body is considered a governing body with the majority of members elected for the purposes of annual budgeting.

Sec. 6. (a) If the Ball State University board of trustees adopts a resolution to take advantage of the relationship between Ball State University and the Muncie Community school corporation and be governed by this chapter, the following apply:

- (1) Beginning July 1, 2018, the governing body of the Muncie Community school corporation consists of seven (7) members.
- (2) The members of the governing body shall be appointed as follows:

(A) Five (5) members shall be appointed by the Ball State University board of trustees from individuals nominated



by the president of Ball State University.

(B) One (1) member shall be appointed by the President of Ball State University from a list of three (3) individuals nominated by the Muncie city council.

(C) One (1) member shall be appointed by the President of Ball State University from a list of three (3) individuals nominated by the mayor of Muncie.

(3) The terms for the initial members of the governing body are as follows:

(A) One (1) member appointed under subdivision (2)(A) shall serve an initial term of one (1) year.

(B) One (1) member appointed under subdivision (2)(A) shall serve an initial term of two (2) years.

(C) One (1) member appointed under subdivision (2)(A) shall serve an initial term of three (3) years.

(D) Two (2) members appointed under subdivision (2)(A) and each member appointed under subdivision (2)(B) and (2)(C) shall serve an initial term of four (4) years.

After these initial terms, each member's term is four (4) years.

A member's term expires June 30 in the applicable year.

(b) A member of the governing body serves at the pleasure of the appointing authority.

Sec. 7. The Muncie Community school corporation shall engage academically innovative strategies for:

(1) developing, testing, and evaluating new methods of instruction and materials;

(2) comparing new methods with conventional methods in use; and

(3) training teachers in new methods of instruction and materials, as is found acceptable.

Sec. 8. Notwithstanding any other law, the Muncie Community school corporation may not receive a decrease in state funding based upon the Muncie Community school corporation's status as a distressed school corporation under IC 6-1.1-20.3 or because of the implementation of a waiver of a statute or rule that is allowed to be waived by the Muncie Community school corporation.

Sec. 9. Not later than June 30, 2020, the governing body of the Muncie Community school corporation shall provide to the distressed unit appeal board, the state superintendent of public instruction, and the Indiana commissioner for higher education a report on the plan for the long term fiscal viability and academic innovation of the Muncie Community school corporation. The plan



must include goals, metrics, and benchmarks for evaluating the effectiveness of the plan.

Sec. 10. (a) Not later than October 31, 2021, and by October 31 in each subsequent year, the governing body of the Muncie Community school corporation shall provide a report to the chairperson of the distressed unit appeal board, the superintendent of public instruction, and the Indiana commissioner for higher education.

(b) The report required in subsection (a) must outline the following:

- (1)** Progress toward goals, metrics, and benchmarks concerning fiscal viability and academic innovation.
- (2)** Innovative methods of instruction being used in the Muncie Community school corporation.
- (3)** A comparison of the results obtained by the innovative methods of instruction with conventional methods of instruction.
- (4)** Any recommendations concerning the innovative methods of instruction and their general applicability for public schools.

Sec. 11. If Ball State University enters into a contract with the Muncie Community school corporation in an amount that exceeds twenty-five thousand dollars (\$25,000), the contract must be reviewed and approved by the distressed unit appeal board.

Sec. 12. (a) The president of Ball State University, the members of the Ball State University board of trustees, and any other officer or employee of Ball State University are immune from civil liability for actions taken by the governing body of the Muncie Community school corporation or any action taken under the authority of this chapter. This subsection does not apply to any officers or employees of the university insofar as they are acting as a member of the governing body of the school corporation.

(b) The governing body of the Muncie Community school corporation may provide:

- (1)** for the defense of persons described in subsection (a) in any suit arising out of the performance of the person's duties for, or employment with, the state educational institution, if the governing body, by resolution, determines that the action was taken in good faith; and
- (2)** for protecting any person described in subsection (a) from any liability, cost, or damage in connection with the performance of the person's duties for, or employment with,



the governing body, including the payment of any legal fees, except when the liability, cost, or damage is:

(A) predicated on, or arises out of, the bad faith of the person; or

(B) based on the person's malfeasance in office or employment.

Sec. 13. (a) During the period beginning July 1, 2018, and ending June 30, 2022, the distressed unit appeal board shall provide financial support to the Muncie Community school corporation in an amount at least equivalent to the amount of compensation that would have been provided to an emergency manager of the Muncie Community school corporation if the school corporation had retained the designation of a distressed political subdivision.

(b) Financial assistance granted under subsection (a) shall be provided directly to the school corporation."

Page 33, line 24, delete "subsection." and insert "section."

Page 34, after line 17, begin a new paragraph and insert:

"SECTION 27. IC 34-30-2-84.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: **Sec. 84.8. IC 20-23-18-12 (Concerning Ball State University and the Muncie Community school corporation).**

SECTION 28. **An emergency is declared for this act.**"

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1315 as introduced.)

BROWN T

Committee Vote: yeas 16, nays 7.



HOUSE MOTION

Mr. Speaker: I move that House Bill 1315 be amended to read as follows:

Page 34, line 30, after "council." insert "**These individuals must reside within the boundaries of the Muncie Community school corporation district.**".

Page 34, line 33, after "Muncie." insert "**These individuals must reside within the boundaries of the Muncie Community school corporation district.**".

Page 35, between lines 6 and 7, begin new paragraph and insert:

"(c) Before making appointments to the governing body under this section, the Ball State University board of trustees shall adopt a policy prohibiting nepotism and a policy prohibiting conflicts of interest with regard to the appointment of members of the governing body by the Ball State University board of trustees and the President of Ball State University."

(Reference is to HB 1315 as printed January 26, 2018.)

BROWN T

 HOUSE MOTION

Mr. Speaker: I move that House Bill 1315 be amended to read as follows:

Page 5, line 38, after "public." insert "**During the period that the Gary Community School Corporation is designated as a distressed political subdivision, the advisory committee may vote to:**

**(1) fill vacancies; or
(2) select officers;
of the advisory committee."**

(Reference is to HB 1315 as printed January 26, 2018.)

BROWN T

