

Second Regular Session 118th General Assembly (2014)

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 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

## HOUSE ENROLLED ACT No. 1028

---

AN ACT to amend the Indiana Code concerning education.

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

SECTION 1. IC 20-24-1-2.3 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2014]: **Sec. 2.3. "Adult high school" refers to a charter school that has a majority of students enrolled with the school that:**

**(1) belong to a graduation cohort that has already graduated;**

**or**

**(2) are over the age of eighteen (18) years of age;**

**at the time the student was first enrolled at the school.**

SECTION 2. IC 20-24-2.1-5 IS REPEALED [EFFECTIVE JULY 1, 2014]. **Sec. 5:** (a) Except as provided in subsection (b), a charter may not be granted after the effective date of this section by the charter board or any other sponsor or authorizer for a charter school that will serve students who:

**(1) are at least twenty (20) years of age; and**

**(2) have dropped out of high school before receiving a diploma.**

**(b) Charters may be granted by the mayor of Indianapolis before July 1, 2013, for not more than three (3) Christel House Academies that will serve students described in subsection (a):**

SECTION 3. IC 20-24-3-18.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2014]: **Sec. 18.5. (a) Notwithstanding**

HEA 1028 — CC 1



**IC 20-24-1-2.5 and except as provided in subsection (b), an adult high school as defined in IC 20-24-1-2.3 may only be authorized by the charter board.**

**(b) This section does not prohibit the mayor of Indianapolis from renewing a charter of an adult high school that was initially authorized by the mayor of Indianapolis prior to July 1, 2014.**

SECTION 4. IC 20-24-4-1, AS AMENDED BY P.L.280-2013, SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 1. (a) A charter must meet the following requirements:

- (1) Be a written instrument.
- (2) Be executed by an authorizer and an organizer.
- (3) Confer certain rights, franchises, privileges, and obligations on a charter school.
- (4) Confirm the status of a charter school as a public school.
- (5) Be granted for:
  - (A) not less than three (3) years; and
  - (B) a fixed number of years agreed to by the authorizer and the organizer.
- (6) Provide for the following:
  - (A) A review by the authorizer of the charter school's performance, including the progress of the charter school in achieving the academic goals set forth in the charter, at least one (1) time in each five (5) year period while the charter is in effect.
  - (B) Renewal, if the authorizer and the organizer agree to renew the charter.
  - (C) The renewal application must include guidance from the authorizer, and the guidance must include the performance criteria that will guide the authorizer's renewal decisions.
  - (D) The renewal application process must, at a minimum, provide an opportunity for the charter school to:
    - (i) present additional evidence, beyond the data contained in the performance report, supporting its case for charter renewal;
    - (ii) describe improvements undertaken or planned for the charter school; and
    - (iii) detail the charter school's plans for the next charter term.
  - (E) Not later than October 1 in the year in which the charter school seeks renewal of a charter, the governing board of a charter school seeking renewal shall submit a renewal



application to the charter authorizer under the renewal application guidance issued by the authorizer. The authorizer shall make a final ruling on the renewal application not later than March 1 after the filing of the renewal application. The March 1 deadline does not apply to any review or appeal of a final ruling. After the final ruling is issued, the charter school may obtain further review by the authorizer of the authorizer's final ruling in accordance with the terms of the charter school's charter and the protocols of the authorizer.

- (7) Specify the grounds for the authorizer to:
  - (A) revoke the charter before the end of the term for which the charter is granted; or
  - (B) not renew a charter.
- (8) Set forth the methods by which the charter school will be held accountable for achieving the educational mission and goals of the charter school, including the following:
  - (A) Evidence of improvement in:
    - (i) assessment measures, including the ISTEP and end of course assessments;
    - (ii) attendance rates;
    - (iii) graduation rates (if appropriate);
    - (iv) increased numbers of Core 40 diplomas and other college and career ready indicators including advanced placement participation and passage, dual credit participation and passage, and International Baccalaureate participation and passage (if appropriate);
    - (v) increased numbers of academic honors and technical honors diplomas (if appropriate);
    - (vi) student academic growth;
    - (vii) financial performance and stability; and
    - (viii) governing board performance and stewardship, including compliance with applicable laws, rules and regulations, and charter terms.
  - (B) Evidence of progress toward reaching the educational goals set by the organizer.
- (9) Describe the method to be used to monitor the charter school's:
  - (A) compliance with applicable law; and
  - (B) performance in meeting targeted educational performance.
- (10) Specify that the authorizer and the organizer may amend the charter during the term of the charter by mutual consent and describe the process for amending the charter.



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

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

(A) begin school operations; and

(B) have students attending the charter school.

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

(14) Specify that records provided by the charter school to the department or authorizer that relate to compliance by the organizer with the terms of the charter or applicable state or federal laws are subject to inspection and copying in accordance with IC 5-14-3.

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

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

**(A) that the school will offer flexible scheduling;**

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

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

**(D) a plan:**

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

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

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

SECTION 5. IC 20-24-7-4, AS AMENDED BY P.L.205-2013, SECTION 231, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 4. (a) Services that a school



corporation provides to a charter school, including transportation, may be provided at not more than one hundred three percent (103%) of the actual cost of the services.

(b) This subsection applies to an authorizer that is a state educational institution described in IC 20-24-1-2.5(2). **Except as provided in subsection (f)**, in a state fiscal year, a state educational institution may receive from the organizer of a charter school authorized by the state educational institution an administrative fee equal to not more than three percent (3%) of the total amount the organizer receives during the state fiscal year from basic tuition support (as defined in IC 20-43-1-8).

(c) This subsection applies to the executive of a consolidated city that authorizes a charter school. **Except as provided in subsection (f)**, in a state fiscal year, the executive may collect from the organizer of a charter school authorized by the executive an administrative fee equal to not more than three percent (3%) of the total amount the organizer receives during the state fiscal year for basic tuition support.

(d) This subsection applies to an authorizer that is a nonprofit college or university that is approved by the state board of education. **Except as provided in subsection (f)**, in a state fiscal year, a private college or university may collect from the organizer of a charter school authorized by the private college or university an administrative fee equal to not more than three percent (3%) of the total amount the organizer receives during the state fiscal year for basic tuition support.

(e) This subsection applies to the charter board. **Except as provided in subsection (f)**, in a state fiscal year, the charter school board may collect from the organizer of a charter school authorized by the charter board an administrative fee equal to not more than three percent (3%) of the total amount the organizer receives during the state fiscal year for basic tuition support.

**(f) This subsection applies to an adult high school. An authorizer described in subsections (b) through (e) may collect an administrative fee equal to not more than three percent (3%) of the total state appropriation to the adult high school for a state fiscal year under section 13.5 of this chapter.**

~~(g)~~ (g) An authorizer's administrative fee may not include any costs incurred in delivering services that a charter school may purchase at its discretion from the authorizer. The authorizer shall use its funding provided under this section exclusively for the purpose of fulfilling authorizing obligations.

~~(g)~~ (h) Except for oversight services, a charter school may not be required to purchase services from its authorizer as a condition of



charter approval or of executing a charter contract, nor may any such condition be implied.

(h) (i) A charter school may choose to purchase services from its authorizer. In that event, the charter school and authorizer shall execute an annual service contract, separate from the charter contract, stating the parties' mutual agreement concerning the services to be provided by the authorizer and any service fees to be charged to the charter school. An authorizer may not charge more than market rates for services provided to a charter school.

(i) (j) Not later than ninety (90) days after the end of each fiscal year, each authorizer shall provide to each charter school it authorizes an itemized accounting of the actual costs of services purchased by the charter school from the authorizer. Any difference between the amount initially charged to the charter school and the actual cost shall be reconciled and paid to the owed party. If either party disputes the itemized accounting, any charges included in the accounting, or charges to either party, either party may request a review by the department. The requesting party shall pay the costs of the review.

SECTION 6. IC 20-24-7-13.5, AS ADDED BY P.L.205-2013, SECTION 235, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 13.5. (a) This section applies to the following charter schools:

- (1) The Excel Centers for Adult Learners that is located in Indianapolis, is sponsored or authorized by the mayor of Indianapolis, and that is operating as of May 1, 2013.
- (2) The Anderson Excel Center that is sponsored or authorized by the charter board and that is operating as of May 1, 2013.
- (3) The Christel House Academy DOR center that is located in Indianapolis, is sponsored or authorized by the mayor of Indianapolis, and that is operating as of May 1, 2013.
- (4) The Excel Centers for Adult Learners located in Kokomo, Lafayette, and Richmond that are sponsored or authorized by the charter board and that are scheduled to begin operating not later than fall 2013, and the Excel Center for Adult Learners located in Indianapolis (Lafayette Square) that is sponsored or authorized by the mayor of Indianapolis and that is scheduled to begin operating not later than fall 2013.
- (5) The Gary Middle College charter school that is sponsored or authorized by Ball State University, that includes students who are twenty-two (22) years of age and older, and that is operating as of May 1, 2013.

(b) Notwithstanding any other law, for state fiscal years beginning



after June 30, 2013, a charter school described in subsection (a) is entitled to receive funding from the state in an amount equal to the product of:

- (1) the charter school's number of students (expressed as full-time equivalents); multiplied by
- (2) six thousand six hundred dollars (\$6,600).

However, in the case of the charter school described in subsection (a)(5), the funding under this section applies only for those students who are twenty-two (22) years of age and older.

(c) A charter school described in subsection (a) is entitled to receive federal special education funding.

(d) ~~A charter school that is granted a charter as described in IC 20-24-2.1-5(b)~~ **is not A Christel House Academy that, before July 1, 2013, was granted a charter by the mayor of Indianapolis to establish an adult high school may be entitled to state funding after June 30, 2015, if the adult high school was not in operation on May 1, 2013.**

(e) The state funding under this section shall be paid each state fiscal year under a schedule set by the budget agency and approved by the governor. However, the schedule shall provide for at least twelve (12) payments, that one (1) payment shall be made at least every forty (40) days, and the aggregate of the payments in each state fiscal year shall equal the amount required under this section. However, if the appropriations for this purpose are insufficient, the distributions to each recipient shall be reduced proportionately.

**(f) This section expires July 1, 2015.**

SECTION 7. IC 20-24-7-14 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 14. Except as provided in section 13.5 of this chapter, notwithstanding any other law, for state fiscal years beginning after June 30, 2014, an adult high school is not entitled to receive funding from the state, including any tuition support, unless the general assembly enacts an appropriation for the adult high school.**

SECTION 8. IC 20-31-8-5.2, AS ADDED BY SEA 24-2014, SECTION 87, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 5.2. **(a) The state board shall establish an alternative accountability system to assess the performance of an adult high school. a charter school that is sponsored by the Indiana charter school board established by IC 20-24-2.1-1 and designated as a recovery school or an accelerated learning center. The system shall:**

- (1) establish rigorous academic outcomes criteria;**
- (2) measure college and career readiness outcomes for each**



**graduate;**

**(3) measure student accomplishments and success after graduation for a period of time as determined by the state board; and**

**(4) require that a substantial majority of graduates who receive waiver diplomas must also be on track to receive or have already received an industry certification that aligns with career pathways as recommended by the Indiana career council established by IC 22-4.5-9-3.**

**(b) An adult high school is subject to the alternative accountability system developed by the state board under subsection (a).**





---

Speaker of the House of Representatives

---

President of the Senate

---

President Pro Tempore

---

Governor of the State of Indiana

Date: \_\_\_\_\_ Time: \_\_\_\_\_

HEA 1028 — CC 1

