



Reprinted
February 3, 2017

HOUSE BILL No. 1382

DIGEST OF HB 1382 (Updated February 2, 2017 11:48 am - DI 116)

Citations Affected: IC 20-24; IC 20-25.7; IC 20-26.

Synopsis: Charter schools. Changes the definition of a charter school organizer. Provides that the executive director of the Indiana charter school board may hire staff. (Current law provides that the Indiana charter school board is staffed by the department of education (department).) Requires each authorizer to establish a charter school Internet web page. Makes changes to the minimum standards for renewing a charter. Makes changes to the procedure for suspending an authorizer from authorizing a charter school. Provides that an authorizer is considered a state education authority within the meaning of the Family Educational Rights and Privacy Act. Provides that a charter school located in a county containing a consolidated city must determine which students may attend the charter school by using a publicly verifiable random selection process. (Current law provides that a charter school must determine which students may attend the charter school by use of a random drawing at a public meeting.) Makes changes to information that an education service provider must provide to a charter school. Provides that an authorizer must provide notification of acceptance or rejection of a proposal to establish a
(Continued next page)

Effective: July 1, 2017.

Behning

January 17, 2017, read first time and referred to Committee on Education.
January 31, 2017, amended, reported — Do Pass.
February 2, 2017, read second time, amended, ordered engrossed. Returned to second reading.

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Digest Continued

charter school within 75 days unless the authorizer and organizer agree to an extension of time. (Current law provides that notification must be provided within 75 days.) Provides that an organizer shall immediately inform the authorizer if its tax exempt status is questioned, modified, or revoked by the Internal Revenue Service or if its nonprofit corporation status is questioned, modified, or revoked by the state. Makes changes to the information an authorizer is required to report to the department. Changes procedures for relating to the renewal of a charter. Requires an authorizer that is a state educational institution to assign authorization responsibilities to another entity. Makes changes to a provision relating to the qualifications of full-time teachers. Makes changes to a provision relating to the distribution of state funds to a charter school that does not have its charter renewed or terminated. Makes changes to the definition of a virtual charter school. Requires a virtual charter school to adopt a student engagement policy. Provides that the organizer's constitution, charter, articles, or bylaws must contain a clause providing that an authorizer may require the removal of a board member of the organizer in certain circumstances. Makes changes to which innovation network schools can receive a grant from the innovation network school grant fund. Provides that a governing body may enter into an agreement with an organizer to reconstitute certain schools as a participating innovation network charter school or to establish a participating innovation network charter school at a location selected by the board within the boundary of the school corporation. Provides that a participating innovation network charter school may be eligible for innovation network school grant funding. Repeals a provision that provides that the state board of education may require an authorizer to appear at a hearing conducted by the state board if the authorizer has renewed the charter of or failed to close a charter school that does not meet the minimum standards in the charter agreement. Repeals a provision establishing the charter school review panel.

HB 1382—LS 7309/DI 116



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February 3, 2017

First Regular Session of the 120th General Assembly (2017)

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 2016 Regular Session of the General Assembly.

HOUSE BILL No. 1382

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

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

1 SECTION 1. IC 20-24-1-7, AS AMENDED BY P.L.221-2015,
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2017]: Sec. 7. "Organizer" means ~~a group~~ or an entity that:
4 (1) ~~has been determined by the Internal Revenue Service to be~~
5 ~~operating under nonprofit status or has applied for such~~
6 ~~determination;~~
7 **(1) is a nonprofit corporation registered in Indiana;**
8 **(2) has been recognized by the Internal Revenue Service to be**
9 **tax exempt and maintains such tax exempt status; and**
10 (2) ~~enters into a contract under this article to operate a charter~~
11 ~~school; and~~
12 (3) ~~is an independent board of a charter school that is a party to~~
13 ~~the charter contract with the authorizer; whose members have~~
14 ~~been elected or selected under the school's application.~~
15 **(3) has an independent board whose members have been**

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1 **elected or selected under the organizer's application and who**
 2 **has entered into a contract under this article to operate a**
 3 **charter school.**

4 SECTION 2. IC 20-24-2.1-2, AS AMENDED BY P.L.280-2013,
 5 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JULY 1, 2017]: Sec. 2. **(a)** The charter board ~~with assistance from the~~
 7 ~~department~~, shall:

- 8 (1) ~~establish a process to:~~
 9 ~~(A)~~ review a proposal to establish a charter school under
 10 IC 20-24-3-4;
 11 ~~(B)~~ **(2)** make a decision on the proposal as required under
 12 IC 20-24-3-9; ~~and~~
 13 ~~(C)~~ **(3)** monitor charter schools authorized by the charter board;
 14 and
 15 ~~(2)~~ **(2)** publish guidelines concerning the review process described in
 16 subdivision ~~(1)~~;
 17 **(4) make decisions on the renewal, nonrenewal, and**
 18 **revocation of charters granted by the charter board.**

19 ~~not later than December 31, 2011.~~

20 **(b) IC 4-21.5 does not apply to a review of a decision under**
 21 **subsection (a)(4).**

22 SECTION 3. IC 20-24-2.1-3, AS ADDED BY P.L.91-2011,
 23 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 JULY 1, 2017]: Sec. 3. ~~The department shall provide staff to carry out~~
 25 ~~the duties of the charter board under this chapter until the time when~~
 26 ~~the charter board begins receiving administrative fees pursuant to~~
 27 ~~IC 20-24-7-4(c). At that time,~~ The charter board may hire **an executive**
 28 **director and approve such staff as is determined necessary by the**
 29 **executive director** to carry out the duties of the charter board under
 30 this chapter.

31 SECTION 4. IC 20-24-2.2-1, AS AMENDED BY P.L.280-2013,
 32 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JULY 1, 2017]: Sec. 1. The department **and each authorizer** shall
 34 establish a charter school page on the department's **and the**
 35 **authorizer's** Internet web site that includes information on the
 36 following:

- 37 (1) ~~All approved authorizers, including~~ The authorizers'
 38 **authorizer's** processes for the following:
 39 (A) Monitoring approved schools at regular intervals.
 40 (B) Establishing minimum standards for renewing a charter or
 41 not renewing a charter.
 42 (C) Processes and standards for school closure, including the



- 1 transfer of academic records to other schools and
 2 postsecondary educational institutions.
- 3 (2) All pending applications for a charter.
 4 (3) All approved applications for a charter.
 5 (4) All rejected applications for a charter.
 6 (5) The authorizer's annual report as required under IC 20-24-9.
- 7 SECTION 5. IC 20-24-2.2-2, AS AMENDED BY P.L.280-2013,
 8 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JULY 1, 2017]: Sec. 2. **(a)** The minimum ~~standards~~ **standard** for
 10 renewal and the ~~standards~~ **standard** to avoid closure imposed by
 11 authorizers on ~~the a~~ a charter school in the ~~charter school agreement~~
 12 ~~must include~~ **is** a requirement that the charter school not remain in the
 13 lowest category or designation of school improvement, including any
 14 alternative accountability category or designation, in the third year after
 15 initial placement in the lowest category or designation established
 16 under IC 20-31-8-4.
- 17 **(b)** An authorizer of a charter school that does not meet the
 18 minimum standard for charter school renewal described in
 19 subsection (a) may petition the state board at any time to request
 20 permission to renew the charter school's charter notwithstanding
 21 the fact that the charter school does not meet the minimum
 22 standard. If timely notification is made, the state board shall hold
 23 a hearing to consider the authorizer's request at the state board's
 24 next regularly scheduled board meeting.
- 25 **(c)** In determining whether to grant a request under subsection
 26 **(b)**, the state board shall consider the following:
- 27 (1) Enrollment of students with special challenges, such as
 28 drug or alcohol addiction, prior withdrawal from school,
 29 prior incarceration, or other special circumstances.
 30 (2) High mobility of the student population resulting from the
 31 specific purpose of the charter school.
 32 (3) Annual improvement in the performance of students
 33 enrolled in the charter school, as measured by IC 20-31-8-1,
 34 compared with the performance of students enrolled in the
 35 charter school in the immediately preceding school year.
- 36 **(d)** After the hearing, the state board must implement one (1) or
 37 more of the following actions:
- 38 (1) Grant the authorizer's request to renew the charter of the
 39 charter school. The state board may determine the length of
 40 the renewal and any conditions of the renewal placed upon
 41 either the charter school or the authorizer.
 42 (2) Order the closure of the charter school at the end of the



1 **current school year.**

2 **A charter school that is closed by the state board under this section**
 3 **may not be granted a charter by any authorizer.**

4 SECTION 6. IC 20-24-2.2-3 IS REPEALED [EFFECTIVE JULY
 5 1, 2017]. Sec. 3: (a) After giving at least thirty (30) days notice, the
 6 state board may require an authorizer to appear at a hearing conducted
 7 by the state board if the authorizer has renewed the charter of or failed
 8 to close a charter school that does not meet the minimum standards in
 9 the charter agreement as provided in section 2 of this chapter, as posted
 10 on the department's Internet web site:

11 (b) After the hearing, the state board may implement one (1) or
 12 more of the following actions unless the state board finds sufficient
 13 justification for the charter school's performance under the state school
 14 accountability system:

15 (1) Transfer the authorization of the charter school identified in
 16 subsection (a) to another authorizer.

17 (2) Order the closure of the charter school identified in subsection
 18 (a) at the end of the current school year.

19 (3) Order the reduction of any administrative fee collected under
 20 IC 20-24-7-4 that is applicable to the charter school identified in
 21 subsection (a). The reduction must become effective at the
 22 beginning of the month following the month of the authorizer's
 23 hearing before the state board.

24 A charter school that is closed by the state board under this section may
 25 not be granted a charter by any other authorizer.

26 (c) In determining whether to impose consequences under
 27 subsection (b), the state board must consider the following:

28 (1) Enrollment of students with special challenges such as drug or
 29 alcohol addiction; prior withdrawal from school; prior
 30 incarceration; or other special circumstances.

31 (2) High mobility of the student population resulting from the
 32 specific purpose of the charter school.

33 (3) Annual improvement in the performance of students enrolled
 34 in the charter school, as measured by IC 20-31-8-1, compared
 35 with the performance of students enrolled in the charter school in
 36 the immediately preceding school year.

37 SECTION 7. IC 20-24-2.2-4, AS AMENDED BY P.L.280-2013,
 38 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JULY 1, 2017]: Sec. 4. If the state board has closed or transferred
 40 authorization of at least twenty-five percent (25%) of the charter
 41 schools chartered by one (1) authorizer under section 3 of this chapter,
 42 any authorizer renews the charter of, fails to close, or grants a new



1 **charter to a charter school that the state board has ordered closed**
 2 **under section 2(d) of this chapter**, the authorizer's authority to
 3 authorize new charter schools may be suspended by the state board
 4 until **such a time as** the state board **formally** approves the authorizer
 5 to authorize new charter schools. A determination under this section to
 6 suspend an authorizer's authority to authorize new charter schools must
 7 identify the deficiencies that, if corrected, will result in the approval of
 8 the authorizer to authorize new charter schools.

9 SECTION 8. IC 20-24-2.2-5, AS AMENDED BY P.L.233-2015,
 10 SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JULY 1, 2017]: Sec. 5. (a) The purpose of this section is to establish a
 12 cooperative relationship:

- 13 (1) between the department and an authorizer; and
- 14 (2) that fosters improved decision making related to charter
 15 schools authorized by the authorizer.

16 **(b) An authorizer is considered a state educational authority**
 17 **within the meaning of the Family Educational Rights and Privacy**
 18 **Act (20 U.S.C. 1232g and 34 CFR Part 99).**

19 ~~(b)~~ (c) As used in this section, "covered records" refers to the
 20 following:

- 21 (1) Education records (as defined in 20 U.S.C. 1232g(a)(4), as in
 22 effect January 1, 2013) of students who enrolled in a charter
 23 school authorized by an authorizer that are in the possession of
 24 the department or the state board.
- 25 (2) Records in the possession of the department or the state board
 26 that relate to the evaluation of the performance of a charter school
 27 authorized by an authorizer or students who are enrolled in a
 28 charter school authorized by an authorizer.
- 29 (3) Records in the possession of the department or the state board
 30 that relate to the evaluation of the performance of certified
 31 employees employed by a charter school authorized by an
 32 authorizer.
- 33 (4) Records in the possession of the department or the state board
 34 related to the evaluation of the performance of an authorizer.

35 **(5) Records in the possession of the department related to**
 36 **monitoring of the use of federal funds, due process**
 37 **complaints, mediations, or hearings, and educator misconduct**
 38 **for a charter school authorized by an authorizer.**

39 ~~(e)~~ (d) Notwithstanding IC 5-14-3 or any other law, the department
 40 shall provide, without charge, an authorizer with either:

- 41 (1) electronic access to; or
- 42 (2) written copies of;



1 covered records, as requested by the authorizer, that relate to a charter
 2 school authorized by the authorizer or to the students or certified
 3 employees of the charter school. The department shall provide the
 4 covered records on a schedule determined by the authorizer.

5 ~~(d)~~ (e) The department shall provide, without charge, an authorizer
 6 with a summary of the covered records that relate to a charter school
 7 authorized by the authorizer or to the students or certified employees
 8 of the charter school. The department shall provide the summary
 9 described in this subsection to the authorizer at least once each month.
 10 The authorizer may receive either paper copies of the summary or
 11 copies of the summary transmitted electronically, at the option of the
 12 authorizer. The summary must be sufficiently detailed to identify each
 13 category or collection of covered records. The department and the
 14 authorizer shall consult one another as necessary to carry out this
 15 section.

16 ~~(e)~~ (f) An authorizer shall protect covered records received by the
 17 authorizer in a manner that will not permit the personal identification
 18 of students and their parents by persons other than officials of the
 19 authorizer who are directly involved in the authorization program or
 20 involved with studies related to charter schools authorized by the
 21 authorizer. An authorizer shall destroy personally identifiable data
 22 when the information is no longer needed for purposes of audit,
 23 evaluation, and enforcement of state and federal requirements related
 24 to the charter schools authorized by the authorizer.

25 SECTION 9. IC 20-24-2.2-6, AS ADDED BY P.L.280-2013,
 26 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 JULY 1, 2017]: Sec. 6. (a) If ~~the~~ deficiencies identified under section
 28 3 4 of this chapter are not corrected within two (2) years after the date
 29 the state board suspends the authorizer's authority to authorize new
 30 charter schools in a final order under section 4 of this chapter, the state
 31 board, following an affirmative vote of two-thirds (2/3) of the
 32 members, may revoke the authorizer's authority to function as an
 33 authorizer. The state board shall take all necessary steps to
 34 decommission the authorizer, including overseeing the orderly winding
 35 up of authorization activities or responsibilities, and ensuring the
 36 transfer of any charter school records or administrative fees due under
 37 IC 20-24-7-4 in the authorizer's custody.

38 (b) Charter schools authorized by an authorizer that has been
 39 decommissioned under subsection (a) must apply to be approved by
 40 another authorizer within one hundred fifty (150) days after the date the
 41 state board revokes the authorizer's authority to function as an
 42 authorizer, regardless of whether the state board has begun the process



1 of winding up authorization activities of the authorizer. A charter
 2 school that is not approved under this subsection must close at the end
 3 of the charter school's current school year containing the date in which
 4 the charter school's application under this subsection is disapproved.
 5 A charter school that is closed by the state board under section 3 2 of
 6 this chapter may not be approved by another authorizer under this
 7 subsection.

8 SECTION 10. IC 20-24-3-2, AS AMENDED BY P.L.280-2013,
 9 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 JULY 1, 2017]: Sec. 2. (a) An authorizer may not grant a charter to a
 11 for-profit ~~organizer~~ entity.

12 **(b) If an organizer has not received a determination by the**
 13 **Internal Revenue Service of its tax exempt status as of the date the**
 14 **organizer is scheduled to provide instruction to students attending**
 15 **the charter school, the organizer must request and receive express**
 16 **written authorization from the authorizer that the organizer may**
 17 **provide instruction to students attending the charter school**
 18 **pending such determination.**

19 **(c) The organizer shall immediately inform the authorizer if the**
 20 **organizer's tax exempt status is questioned, modified, or revoked**
 21 **by the Internal Revenue Service or if the organizer's nonprofit**
 22 **corporation status is questioned, modified, or revoked by the state.**

23 SECTION 11. IC 20-24-3-2.5, AS ADDED BY P.L.280-2013,
 24 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 JULY 1, 2017]: Sec. 2.5. If a proposed charter school intends to
 26 contract with an education service provider for substantial educational
 27 services, management services, or both educational services and
 28 management services, the request for proposals shall require the
 29 applicants to provide the following:

- 30 (1) Evidence of the education service provider's success in
 31 serving student populations similar to the targeted populations,
 32 including demonstrated academic achievement as well as
 33 successful management of nonacademic school functions, if
 34 applicable.
- 35 (2) A term sheet setting forth: ~~the~~
- 36 (A) ~~the~~ proposed duration of the service contract;
 - 37 (B) ~~the~~ roles and responsibilities of the organizer, the school
 38 staff, and the education service provider;
 - 39 (C) ~~the~~ performance evaluation measures and timelines;
 - 40 (D) ~~the~~ compensation structure, including clear identification
 41 of all fees to be paid to the education service provider;
 - 42 (E) ~~the~~ methods of contract oversight and enforcement;



1 (F) the investment disclosure; and
 2 (G) that the school and the authorizer are entitled to any
 3 data in the possession of the education service provider
 4 relating to the management or operation of the school,
 5 including student data; and
 6 ~~(G)~~ (H) the conditions for renewal and termination of the
 7 contract.

8 (3) A disclosure statement to explain any existing or potential
 9 conflicts of interest between the organizer and the proposed
 10 education service provider or any affiliated business entities.

11 (4) Assurance that the organizer will be structurally independent
 12 of the education service provider and shall set and approve school
 13 policies. The assurance must also provide that the terms of the
 14 service contract must be reached by the organizer and the
 15 education service provider through arms length negotiations in
 16 which the organizer must be represented by legal counsel. The
 17 legal counsel may not also represent the education service
 18 provider.

19 SECTION 12. IC 20-24-3-7, AS AMENDED BY P.L.280-2013,
 20 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 JULY 1, 2017]: Sec. 7. The authorizer may revoke the charter of a
 22 charter school ~~that~~ **under the following circumstances:**

23 (1) **The charter school** does not, by the date specified in the
 24 charter,

25 ~~(1)~~ begin school operations and
 26 ~~(2)~~ have students attending the charter school.

27 (2) **At any time, and for any reason, specified in the charter or**
 28 **in this chapter.**

29 SECTION 13. IC 20-24-3-9, AS AMENDED BY P.L.280-2013,
 30 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 JULY 1, 2017]: Sec. 9. An authorizer must notify an organizer that
 32 submits a proposal under section 4 of this chapter of the:

33 (1) acceptance of the proposal; or
 34 (2) rejection of the proposal;

35 not later than seventy-five (75) days after the organizer submits the
 36 proposal, **unless the authorizer and organizer mutually agree in**
 37 **writing to an extension.**

38 SECTION 14. IC 20-24-3-10, AS AMENDED BY P.L.280-2013,
 39 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JULY 1, 2017]: Sec. 10. (a) An authorizer must notify the department
 41 of the: ~~following:~~

42 ~~(1)~~ Receipt of a proposal:



- 1 (2) **(1)** acceptance of a proposal; **and**
 2 (3) Rejection of a proposal; including the reasons for the
 3 rejection.
 4 (4) **(2)** the length of time for which a charter is granted.
 5 (5) School goals, educational program design, and an education
 6 management organization operating a school, if applicable.
 7 (6) The name and address of the education management
 8 organization; and the name of the chief operating officer of the
 9 education management organization, if applicable.
 10 (b) The department authorizer shall annually do the following:
 11 (1) Compile the **following** information received under subsection
 12 (a) into a report:
 13 (A) **Proposals received.**
 14 (B) **Proposals accepted, including the length of time for**
 15 **which a charter is granted.**
 16 (C) **Proposals rejected, including the reasons for the**
 17 **rejection.**
 18 (D) **School goals, educational program design, and the**
 19 **name and address of the education management**
 20 **organization operating the school and the name of the chief**
 21 **operating officer of the education management**
 22 **organization, if applicable.**
 23 (2) Submit the report in an electronic format under IC 5-14-6 to
 24 the legislative council.
 25 SECTION 15. IC 20-24-3-11, AS AMENDED BY P.L.280-2013,
 26 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 JULY 1, 2017]: Sec. 11. If an authorizer rejects a charter school
 28 proposal, the organizer may:
 29 (1) amend the charter school proposal and resubmit the proposal
 30 to the same authorizer; **or**
 31 (2) submit a charter school proposal to another authorizer. **or**
 32 (3) **appeal the decision to the charter school review panel**
 33 **established by section 12 of this chapter.**
 34 SECTION 16. IC 20-24-3-12 IS REPEALED [EFFECTIVE JULY
 35 1, 2017]. Sec. 12: (a) This section applies if the authorizer rejects a
 36 proposal:
 37 (b) The organizer may appeal the decision of the authorizer to the
 38 charter school review panel established by subsection (c).
 39 (c) The charter school review panel is established. The members of
 40 the panel are as follows:
 41 (1) The governor or the governor's designee.
 42 (2) The state superintendent, who shall chair the panel.



1 (3) A member of the state board appointed by the state
2 superintendent.

3 (4) A person with financial management experience appointed by
4 the governor.

5 (5) A community leader with knowledge of charter school issues
6 appointed jointly by the governor and the state superintendent.

7 A member shall serve a two (2) year term and may be reappointed to
8 the panel upon expiration of the member's term:

9 (d) All decisions of the panel shall be determined by a majority vote
10 of the panel's members.

11 (e) Upon the request of an organizer, the panel shall meet to
12 consider the organizer's proposal and the authorizer's reasons for
13 rejecting the proposal. The panel must allow the organizer and
14 authorizer to participate in the meeting.

15 (f) After the panel meets under subsection (e), the panel shall make
16 one (1) of the following findings and issue the finding to the organizer
17 and the authorizer:

18 (1) A finding that supports the authorizer's rejection of the
19 proposal.

20 (2) A finding that:

21 (A) recommends that the organizer amend the proposal; and

22 (B) specifies the changes to be made in the proposal if the
23 organizer elects to amend the proposal.

24 (3) A finding that approves the proposal.

25 The panel shall issue the finding not later than forty-five (45) days after
26 the panel receives the request for review.

27 (g) If the panel makes a finding described in subsection (f)(1), the
28 finding is final.

29 (h) If the panel makes a finding described in subsection (f)(2), the
30 organizer may amend the proposal according to the panel's
31 recommendations and resubmit the proposal directly to the panel.

32 (i) If the panel makes a finding described in subsection (f)(3), the
33 proposal is considered conditionally approved. The approval shall be
34 considered final upon delivery to the panel of written notice from the
35 organizer and an eligible authorizer that the authorizer has agreed to
36 serve as an authorizer for the proposal approved by the panel.

37 (j) Proposals approved under this section shall not be counted under
38 any numerical limits placed upon an authorizer or set of authorizers.

39 SECTION 17. IC 20-24-3-14, AS AMENDED BY P.L.127-2016,
40 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
41 JULY 1, 2017]: Sec. 14. (a) This section applies to state educational
42 institutions described in IC 20-24-1-2.5(2).



- 1 (b) Except as provided in subsection (c), the ultimate responsibility
- 2 for choosing to authorize a charter school and responsibilities for
- 3 maintaining authorization rest with the university's board of trustees.
- 4 (c) The university's board of trustees ~~may vote to~~ **shall** assign
- 5 authorization authority and authorization responsibilities to another
- 6 ~~person or~~ entity that functions under the direction of the university's
- 7 board. A decision made under this subsection shall be communicated
- 8 in writing to the department. ~~and the charter school review panel.~~
- 9 **(d) An entity created under subsection (c) is subject to**
- 10 **IC 5-14-1.5 and IC 5-14-3.**
- 11 ~~(d)~~ **(e)** Before a university may authorize a charter school, the
- 12 university must conduct a public meeting with public notice in the
- 13 school corporation where the charter school will be located. If the
- 14 location of the proposed charter school has not been identified, the
- 15 public hearing must be held within the county where the proposed
- 16 charter school would be located.
- 17 SECTION 18. IC 20-24-4-1, AS AMENDED BY P.L.5-2015,
- 18 SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 19 JULY 1, 2017]: Sec. 1. (a) A charter must meet the following
- 20 requirements:
- 21 (1) Be a written instrument.
- 22 (2) Be executed by an authorizer and an organizer.
- 23 (3) Confer certain rights, franchises, privileges, and obligations
- 24 on a charter school.
- 25 (4) Confirm the status of a charter school as a public school.
- 26 (5) **Subject to subdivision (6)(E)**, be granted for:
- 27 (A) not less than three (3) years or more than seven (7) years;
- 28 and
- 29 (B) a fixed number of years agreed to by the authorizer and the
- 30 organizer.
- 31 (6) Provide for the following:
- 32 (A) A review by the authorizer of the charter school's
- 33 performance, including the progress of the charter school in
- 34 achieving the academic goals set forth in the charter, at least
- 35 one (1) time in each five (5) year period while the charter is in
- 36 effect.
- 37 (B) Renewal, if the authorizer and the organizer agree to renew
- 38 the charter.
- 39 (C) The renewal application must include guidance from the
- 40 authorizer, and the guidance must include the performance
- 41 criteria that will guide the authorizer's renewal decisions.
- 42 (D) The renewal application process must, at a minimum,



- 1 provide an opportunity for the charter school to:
- 2 (i) present additional evidence, beyond the data contained in
- 3 the performance report, supporting its case for charter
- 4 renewal;
- 5 (ii) describe improvements undertaken or planned for the
- 6 charter school; and
- 7 (iii) detail the charter school's plans for the next charter
- 8 term.
- 9 (E) Not later than ~~October 1~~ **the end of the calendar** year
- 10 in which the charter school seeks renewal of a charter, the
- 11 governing board of a charter school seeking renewal shall
- 12 submit a renewal application to the charter authorizer under
- 13 the renewal application guidance issued by the authorizer. The
- 14 authorizer shall make a final ruling on the renewal application
- 15 not later than ~~March 1~~ **April 30** after the filing of the renewal
- 16 application. **A renewal granted under this clause is not**
- 17 **subject to the three (3) year minimum described in**
- 18 **subdivision (5).** The ~~March 1~~ **April 30** deadline does not
- 19 apply to any review or appeal of a final ruling. After the final
- 20 ruling is issued, the charter school may obtain further review
- 21 by the authorizer of the authorizer's final ruling in accordance
- 22 with the terms of the charter school's charter and the protocols
- 23 of the authorizer.
- 24 (7) Specify the grounds for the authorizer to:
- 25 (A) revoke the charter before the end of the term for which the
- 26 charter is granted; or
- 27 (B) not renew a charter.
- 28 (8) Set forth the methods by which the charter school will be held
- 29 accountable for achieving the educational mission and goals of
- 30 the charter school, including the following:
- 31 (A) Evidence of improvement in:
- 32 (i) assessment measures, including the ISTEP and end of
- 33 course assessments;
- 34 (ii) attendance rates;
- 35 (iii) graduation rates (if appropriate);
- 36 (iv) increased numbers of Core 40 diplomas and other
- 37 college and career ready indicators including advanced
- 38 placement participation and passage, dual credit
- 39 participation and passage, and International Baccalaureate
- 40 participation and passage (if appropriate);
- 41 (v) increased numbers of academic honors and technical
- 42 honors diplomas (if appropriate);



- 1 (vi) student academic growth;
 2 (vii) financial performance and stability; and
 3 (viii) governing board performance and stewardship,
 4 including compliance with applicable laws, rules and
 5 regulations, and charter terms.
 6 (B) Evidence of progress toward reaching the educational
 7 goals set by the organizer.
 8 (9) Describe the method to be used to monitor the charter
 9 school's:
 10 (A) compliance with applicable law; and
 11 (B) performance in meeting targeted educational performance.
 12 (10) Specify that the authorizer and the organizer may amend the
 13 charter during the term of the charter by mutual consent and
 14 describe the process for amending the charter.
 15 (11) Describe specific operating requirements, including all the
 16 matters set forth in the application for the charter.
 17 (12) Specify a date when the charter school will:
 18 (A) begin school operations; and
 19 (B) have students attending the charter school.
 20 (13) Specify that records of a charter school relating to the
 21 school's operation and charter are subject to inspection and
 22 copying to the same extent that records of a public school are
 23 subject to inspection and copying under IC 5-14-3.
 24 (14) Specify that records provided by the charter school to the
 25 department or authorizer that relate to compliance by the
 26 organizer with the terms of the charter or applicable state or
 27 federal laws are subject to inspection and copying in accordance
 28 with IC 5-14-3.
 29 (15) Specify that the charter school is subject to the requirements
 30 of IC 5-14-1.5.
 31 (16) This subdivision applies to a charter established or renewed
 32 for an adult high school after June 30, 2014. The charter must
 33 require:
 34 (A) that the school will offer flexible scheduling;
 35 (B) that students will not complete the majority of instruction
 36 of the school's curriculum online or through remote
 37 instruction;
 38 (C) that the school will offer dual credit or industry
 39 certification course work that aligns with career pathways as
 40 recommended by the Indiana career council established by
 41 IC 22-4.5-9-3; and
 42 (D) a plan:



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

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

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

12 SECTION 19. IC 20-24-5-5, AS AMENDED BY P.L.179-2016,
 13 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 JULY 1, 2017]: Sec. 5. (a) Except as provided in subsections (b), (c),
 15 (d), (e), and (f), a charter school must enroll any eligible student who
 16 submits a timely application for enrollment.

17 (b) This subsection applies if the number of applications for a
 18 program, class, grade level, or building exceeds the capacity of the
 19 program, class, grade level, or building. If a charter school receives a
 20 greater number of applications than there are spaces for students, each
 21 timely applicant must be given an equal chance of admission. The
 22 organizer must determine which of the applicants will be admitted to
 23 the charter school or the program, class, grade level, or building by
 24 random drawing in a public meeting, with each timely applicant limited
 25 to one (1) entry in the drawing. **However, the organizer of a charter
 26 school located in a county with a consolidated city shall determine
 27 which of the applicants will be admitted to the charter school or
 28 the program, class, grade level, or building by using a publicly
 29 verifiable random selection process.**

30 (c) A charter school may limit new admissions to the charter school
 31 to:

32 (1) ensure that a student who attends the charter school during a
 33 school year may continue to attend the charter school in
 34 subsequent years;

35 (2) ensure that a student who attends a charter school during a
 36 school year may continue to attend a different charter school held
 37 by the same organizer in subsequent years;

38 (3) allow the siblings of a student who attends a charter school or
 39 a charter school held by the same organizer to attend the same
 40 charter school the student is attending; and

41 (4) allow preschool students who attend a Level 3 or Level 4
 42 Paths to QUALITY program (as defined in IC 12-17.2-3.8-1)



- 1 preschool to attend kindergarten at a charter school if the charter
 2 school and the preschool provider have entered into an agreement
 3 to share services or facilities.
- 4 (d) This subsection applies to an existing school that converts to a
 5 charter school under IC 20-24-11. During the school year in which the
 6 existing school converts to a charter school, the charter school may
 7 limit admission to:
- 8 (1) those students who were enrolled in the charter school on the
 - 9 date of the conversion; and
 - 10 (2) siblings of students described in subdivision (1).
- 11 (e) A charter school may give enrollment preference to children of
 12 the charter school's founders, governing body members, and charter
 13 school employees, as long as the enrollment preference under this
 14 subsection is not given to more than ten percent (10%) of the charter
 15 school's total population.
- 16 (f) A charter school may not suspend or expel a charter school
 17 student or otherwise request a charter school student to transfer to
 18 another school on the basis of the following:
- 19 (1) Disability.
 - 20 (2) Race.
 - 21 (3) Color.
 - 22 (4) Gender.
 - 23 (5) National origin.
 - 24 (6) Religion.
 - 25 (7) Ancestry.
- 26 A charter school student may be expelled or suspended only in a
 27 manner consistent with discipline rules established under IC 20-24-5.5.
- 28 SECTION 20. IC 20-24-6-5, AS AMENDED BY P.L.6-2012,
 29 SECTION 129, IS AMENDED TO READ AS FOLLOWS
 30 [EFFECTIVE JULY 1, 2017]: Sec. 5. **(a) For purposes of this section,**
 31 **"license" means any credential under the following:**
- 32 **(1) IC 20-28-5-2.**
 - 33 **(2) IC 20-28-5-15.**
 - 34 **(3) IC 20-28-5-16.**
 - 35 **(4) IC 20-28-5-17.**
 - 36 **(5) IC 20-28-5-18.**
- 37 ~~(a)~~ **(b)** At least ninety percent (90%) of the individuals who teach
 38 full time in a charter school must either:
- 39 (1) hold a license to teach in a public school in Indiana; ~~under~~
 40 ~~IC 20-28-5~~; or
 - 41 (2) be in the process of obtaining a license to teach in a public
 42 school in Indiana under the transition to teaching program



1 established by IC 20-28-4-2;
 2 unless the charter school requests and the state board approves a
 3 waiver for a lower percentage.

4 ~~(b)~~ (c) An individual who does not qualify under subsection ~~(a)~~ (b)
 5 may teach full time in a charter school if the individual meets one (1)
 6 of the following criteria:

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

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

13 Individuals qualifying under this subsection may not exceed ten percent
 14 (10%) of the full time teaching staff unless the charter school requests
 15 and the state board approves a waiver for a higher percentage.

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

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

24 ~~(e)~~ (f) An individual who provides to students in a charter school a
 25 service:

26 (1) that is not teaching; and

27 (2) for which a license is required under Indiana law;

28 must have the appropriate license to provide the service in Indiana.

29 SECTION 21. IC 20-24-7-9, AS AMENDED BY P.L.205-2013,
 30 SECTION 233, IS AMENDED TO READ AS FOLLOWS
 31 [EFFECTIVE JULY 1, 2017]: Sec. 9. (a) This section applies if:

32 (1) an authorizer:

33 (A) revokes a charter before the end of the term for which the
 34 charter is granted; or

35 (B) does not renew a charter; or

36 (2) a charter school otherwise terminates its charter before the end
 37 of the term for which the charter is granted.

38 (b) Any state funds that remain to be distributed to the charter
 39 school in the state fiscal year in which an event described in subsection
 40 (a) occurs shall be distributed **to the entities that distributed the**
 41 **funds to the charter school. A distribution under this subsection**
 42 **shall be on a pro rata basis. as follows:**



1 (1) First, to the common school loan fund to repay any existing
2 obligations of the charter school under IC 20-49-7 (repealed).

3 (2) Second, to the entities that distributed the funds to the charter
4 school. A distribution under this subdivision shall be on a pro rata
5 basis.

6 (c) If the funds described in subsection (b) are insufficient to repay
7 all existing obligations of the charter school under IC 20-49-7
8 (repealed), the state shall repay any remaining obligations of the
9 charter school under IC 20-49-7 (repealed) from the amount
10 appropriated for state tuition support distributions.

11 SECTION 22. IC 20-24-7-13, AS AMENDED BY P.L.213-2015,
12 SECTION 160, IS AMENDED TO READ AS FOLLOWS
13 [EFFECTIVE JULY 1, 2017]: Sec. 13. (a) As used in this section,
14 "virtual charter school" means any charter school, including a
15 conversion charter school, that provides for the delivery of more than
16 fifty percent (50%) of instruction to students through:

17 (1) virtual distance learning;

18 (2) online technologies; or

19 (3) computer based instruction.

20 **in which more than seventy-five percent (75%) of instruction is**
21 **provided in an interactive learning environment created through**
22 **technology in which students are separated from their teacher by**
23 **time or space, or both.**

24 (b) A virtual charter school may apply for authorization with any
25 statewide authorizer in accordance with the authorizer's guidelines.

26 (c) For state fiscal years beginning after June 30, 2013, a virtual
27 charter school is entitled to receive funding in a month from the state
28 in an amount equal to the sum of:

29 (1) the product of:

30 (A) the number of students included in the virtual charter
31 school's current ADM; multiplied by

32 (B) the result of:

33 (i) ninety percent (90%) of the school's foundation amount
34 determined under IC 20-43-5-4; divided by

35 (ii) twelve (12); plus

36 (2) the total of any:

37 (A) special education grants under IC 20-43-7;

38 (B) career and technical education grants under IC 20-43-8;

39 (C) honor grants under IC 20-43-10; and

40 (D) complexity grants under IC 20-43-13;

41 to which the virtual charter school is entitled for the month.

42 For state fiscal years beginning after June 30, 2013, a virtual charter



1 school is entitled to receive special education grants under IC 20-43-7
 2 calculated in the same manner as special education grants are
 3 calculated for other school corporations.

4 (d) The state board shall adopt rules under IC 4-22-2 to govern the
 5 operation of virtual charter schools.

6 (e) The department, with the approval of the state board, shall
 7 before December 1 of each year submit an annual report to the budget
 8 committee concerning the program under this section.

9 (f) Each school year, at least sixty percent (60%) of the students
 10 who are enrolled in virtual charter schools under this section for the
 11 first time must have been included in the state's fall count of ADM
 12 conducted in the previous school year.

13 **(g) A virtual charter school must adopt a student engagement**
 14 **policy. A student who regularly fails to participate in courses may**
 15 **be withdrawn from enrollment under policies adopted by the**
 16 **virtual charter school. The policies adopted by the virtual charter**
 17 **school must ensure that:**

18 **(1) adequate notice of the withdrawal is provided to the**
 19 **parent and the student; and**

20 **(2) an opportunity is provided, before the withdrawal of the**
 21 **student by the virtual charter school, for the student or the**
 22 **parent to demonstrate that failure to participate in the course**
 23 **is due to an event that would be considered an excused**
 24 **absence under IC 20-33-2.**

25 **(h) An authorizer must review and monitor whether a virtual**
 26 **charter school that is authorized by the authorizer complies with**
 27 **the requirements described in subsection (g).**

28 SECTION 23. IC 20-24-9-4, AS AMENDED BY P.L.280-2013,
 29 SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 JULY 1, 2017]: Sec. 4. **(a) Notwithstanding the provisions of the**
 31 **charter, If an authorizer that grants a charter may revoke the charter at**
 32 **any time before the expiration of the term of the charter if, after the**
 33 **authorizer has notified the school and given reasonable time to correct**
 34 **the issue, the authorizer determines that: at least one (1) of the**
 35 **following occurs:**

36 **(1) The an organizer fails is failing to comply with the conditions**
 37 **or procedures established in the charter;**

38 **(2) The a charter school established by the organizer fails is**
 39 **failing to meet the educational goals set forth in the charter;**

40 **(3) The an organizer fails is failing to comply with all applicable**
 41 **laws;**

42 **(4) The an organizer fails to meet generally accepted fiscal**



1 management and government accounting principles; **or**
 2 (5) one (1) or more grounds for revocation exist as specified in
 3 the charter;

4 **the authorizer shall notify the governing board of the organizer of**
 5 **the charter school in writing and give the organizer a reasonable**
 6 **time to remedy the deficiency.**

7 **(b) If the organizer does not remedy the deficiency within the**
 8 **timeline established by the authorizer, the authorizer may:**

9 **(1) order corrective action that the authorizer considers**
 10 **necessary to correct the deficiency, including, but not limited**
 11 **to, the removal or hiring of school employees;**

12 **(2) notwithstanding IC 23-17, remove members of the**
 13 **organizer's governing board; or**

14 **(3) revoke the school's charter.**

15 SECTION 24. IC 20-24-9-8 IS ADDED TO THE INDIANA CODE
 16 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 17 1, 2017]: **Sec. 8. Beginning July 1, 2017, at least fifty percent (50%)**
 18 **of the public meetings of a charter school board must be located in**
 19 **the geographic boundaries of the school corporation in which the**
 20 **charter school is located.**

21 SECTION 25. IC 20-25.7-5-2, AS AMENDED BY P.L.179-2016,
 22 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 JULY 1, 2017]: Sec. 2. (a) ~~Notwithstanding IC 20-26-7-1,~~ The board
 24 may enter into an agreement with an organizer to reconstitute an
 25 eligible school as a participating innovation network charter school or
 26 to establish a participating innovation network charter school **at a**
 27 **location selected by the board within the boundary of the school**
 28 **corporation. Notwithstanding IC 20-26-7-1, a participating**
 29 **innovation network charter school may be established** within a
 30 vacant ~~underutilized, or underenrolled~~ school building. ~~as determined~~
 31 ~~by the board.~~

32 (b) The terms of the agreement entered into between the board and
 33 an organizer must specify the following:

34 (1) A statement that the organizer authorizes the department to
 35 include the charter school's performance assessment results under
 36 IC 20-31-8 when calculating the school corporation's performance
 37 assessment under rules adopted by the state board.

38 (2) The amount of state funding, including tuition support, and
 39 money levied as property taxes that will be distributed by the
 40 school corporation to the organizer.

41 (3) The performance goals and accountability metrics agreed
 42 upon for the charter school in the charter agreement between the



1 organizer and the authorizer.

2 (c) If an organizer and the board enter into an agreement under

3 subsection (a), the organizer and the board shall notify the department

4 that the agreement has been made under this section within thirty (30)

5 days after the agreement is entered into.

6 (d) Upon receipt of the notification under subsection (c), for school

7 years starting after the date of the agreement:

8 (1) the department shall include the participating innovation

9 network charter school's performance assessment results under

10 IC 20-31-8 when calculating the school corporation's performance

11 assessment under rules adopted by the state board;

12 (2) the department shall treat the participating innovation network

13 charter school in the same manner as a school operated by the

14 school corporation when calculating the total amount of state

15 funding to be distributed to the school corporation; and

16 (3) if requested by a participating innovation network charter

17 school that reconstitutes an eligible school, the department may

18 use student growth as the state board's exclusive means to

19 determine the innovation network charter school's category or

20 designation of school improvement under 511 IAC 6.2-10-10 for

21 a period of three (3) years.

22 SECTION 26. IC 20-25.7-5-5, AS ADDED BY P.L.179-2016,

23 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

24 JULY 1, 2017]: Sec. 5. (a) IC 20-24-5-5 (with the exception of

25 IC 20-24-5-5(f)) does not apply to a participating innovation network

26 charter school that enters into an agreement with the board to

27 reconstitute or establish an eligible school. ~~with a defined attendance~~

28 ~~area.~~

29 (b) Except as provided in subsection (c), a participating innovation

30 network charter school must enroll any eligible student who submits a

31 timely application for enrollment.

32 (c) A participating innovation network charter school that

33 reconstitutes or establishes an eligible school ~~with a defined attendance~~

34 ~~area~~ may limit new admissions to the participating innovation network

35 charter school to:

36 (1) ensure that any student with legal settlement in the attendance

37 area, **or in the school corporation if the school does not have**

38 **a defined attendance area**, may attend the charter school;

39 (2) ensure that a student who attends the participating innovation

40 network charter school during a school year may continue to

41 attend the charter school in subsequent years;

42 (3) allow the siblings of a student who attends the participating



1 innovation network charter school to attend the charter school;
2 and

3 (4) allow preschool students who attend a Level 3 or Level 4
4 Paths to QUALITY program (as defined in IC 12-17.2-3.8-1)
5 preschool to attend kindergarten at the participating innovation
6 network charter school if the participating innovation network
7 charter school and the school corporation or preschool provider
8 have entered into an agreement to share services or facilities.

9 (d) A participating innovation network charter school may give
10 enrollment preferences to children of the participating innovation
11 network charter school's founders, governing board members, and
12 participating innovation network charter school employees, as long as
13 the enrollment preference under this subsection is not given to more
14 than ten percent (10%) of the participating innovation charter school's
15 total population and there is sufficient capacity for a program, class,
16 grade level, or building to ensure that any student with legal settlement
17 in the attendance area may attend the school.

18 (e) This subsection applies if the number of applications for a
19 program, class, grade level, or building exceeds the capacity of the
20 program, class, grade level, or building. If a participating innovation
21 network charter school receives a greater number of applications than
22 there are spaces for students, each timely applicant must be given an
23 equal chance of admission. The participating innovation network
24 charter school **that is not in a county containing a consolidated city**
25 **must determine which of the applicants will be admitted to the**
26 **participating innovation network charter school or the program, class,**
27 **grade level, or building by random drawing in a public meeting with**
28 **each timely applicant limited to one (1) entry in the drawing. However,**
29 **the participating innovation network charter school located in a**
30 **county with a consolidated city shall determine which of the**
31 **applicants will be admitted to the participating innovation network**
32 **charter school or the program, class, grade level, or building by**
33 **using a publicly verifiable random selection process.**

34 SECTION 27. IC 20-25.7-7-1, AS ADDED BY P.L.214-2015,
35 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
36 JULY 1, 2017]: Sec. 1. (a) The innovation network school grant fund
37 is established to provide grants to

38 (1) an innovation network school, ~~established under~~ **including a**
39 **participating innovation network charter school.**
40 ~~IC 20-25.7-4-3; or~~

41 (2) an innovation network school that participates in the career
42 pathways pilot program under IC 20-25.7-6.



1 (b) The fund shall be administered by the state board.

2 (c) The fund consists of the following:

3 (1) Appropriations made by the general assembly.

4 (2) Gifts, grants, or donations.

5 (3) Interest accruing from investment of money in the fund.

6 (d) The treasurer of state shall invest the money in the fund not
7 currently needed to meet the obligations of the fund in the same
8 manner as other public funds may be invested.

9 (e) Interest that accrues from investments of the fund shall be
10 deposited in the fund.

11 SECTION 28. IC 20-25.7-7-2, AS ADDED BY P.L.214-2015,
12 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 JULY 1, 2017]: Sec. 2. **(a) An innovation network school may be
14 awarded only one (1) grant under this chapter.**

15 ~~(a)~~ **(b)** The state board shall determine the amount of a grant based
16 on the plan submitted by a board.

17 ~~(b)~~ **(c)** The state board shall develop criteria for awarding a grant
18 under this section, including documentation requirements that must be
19 included with the plan.

20 ~~(c)~~ **(d)** A board shall apply for a grant under this section in a manner
21 prescribed by the state board. **Grant awards are limited to an
22 innovation network school that has not, or is not planning to,
23 receive grant funding as a result of, or related to, its innovation
24 network status, from other public or private sources.**

25 **(e) An innovation network school receiving funding under this
26 chapter shall use the funds for educational purposes.**

27 ~~(d)~~ **(f)** The state board may adopt rules under IC 4-22-2 or
28 guidelines necessary to administer this section.

29 SECTION 29. IC 20-26-11-6.5, AS ADDED BY P.L.17-2015,
30 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
31 JULY 1, 2017]: Sec. 6.5. (a) Notwithstanding this chapter, a school
32 corporation shall accept a transferring student who does not have legal
33 settlement in the school corporation and who has a parent who is a
34 current employee of the transferee school corporation who resides in
35 Indiana if the transferee school corporation has the capacity to accept
36 the student.

37 (b) If the number of students who request to transfer to a transferee
38 school corporation under this section causes the school corporation to
39 exceed the school corporation's maximum student capacity, the
40 governing body shall determine which students will be admitted as
41 transfer students by a random drawing in a public meeting. **However,
42 the governing body of a school corporation located in a county with**



1 **a consolidated city shall determine which students will be admitted**
 2 **by using a publicly verifiable random selection process.**

3 SECTION 30. IC 20-26-11-32, AS AMENDED BY P.L.39-2014,
 4 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 5 JULY 1, 2017]: Sec. 32. (a) This section does not apply to a school
 6 corporation if the governing body has adopted a policy of not accepting
 7 the transfer of any student who does not have legal settlement within
 8 the school corporation.

9 (b) The governing body of a school corporation shall annually
 10 establish:

11 (1) except as provided in subsection (m), the number of transfer
 12 students the school corporation has the capacity to accept in each
 13 grade level; and

14 (2) the date by which requests to transfer into the school
 15 corporation must be received by the governing body.

16 (c) After establishing the date under subsection (b)(2), the
 17 governing body shall:

18 (1) publish the date on the school corporation's Internet web site;
 19 and

20 (2) report the date to the department.

21 (d) The department shall publish the dates received from school
 22 corporations under subsection (c)(2) on the department's Internet web
 23 site.

24 (e) A student to whom this section applies may not request to
 25 transfer under this section primarily for athletic reasons to a school
 26 corporation in which the student does not have legal settlement.

27 (f) If the number of requests to transfer into a school corporation
 28 received by the date established for the school corporation under
 29 subsection (b)(2) exceeds the capacity established for the school
 30 corporation under subsection (b)(1), each timely request must be given
 31 an equal chance to be accepted, with the exception that a student
 32 described in subsection (h) shall be given priority. The governing body
 33 must determine which students will be admitted as transfer students to
 34 each school building and each grade level within the school corporation
 35 by a ~~random drawing in a public meeting~~: **using a publicly verifiable**
 36 **random selection process.**

37 (g) Except as provided in subsections (i), (j), (k), and (m), the
 38 governing body of a school corporation may not deny a request for a
 39 student to transfer into the school corporation based upon the student's
 40 academic record, scores on ISTEP tests, disciplinary record, or
 41 disability, or upon any other factor not related to the school
 42 corporation's capacity.



1 (h) Except as provided in subsections (i), (j), and (k), the governing
 2 body of a school corporation may not deny a request for a student to
 3 transfer into the school corporation if the student requesting to transfer:

- 4 (1) is a member of a household in which any other member of the
 5 household is a student in the transferee school; or
 6 (2) has a parent who is an employee of the school corporation.

7 (i) A governing body of a school corporation may limit the number
 8 of new transfers to a school building or grade level in the school
 9 corporation:

- 10 (1) to ensure that a student who attends a school within the school
 11 corporation as a transfer student during a school year may
 12 continue to attend the school in subsequent school years; and
 13 (2) to allow a student described in subsection (h) to attend a
 14 school within the school corporation.

15 (j) Notwithstanding subsections (g) and (h), a governing body of a
 16 school corporation may deny a request for a student to transfer to the
 17 school corporation, or establish terms or conditions for enrollment that
 18 prevent a student from enrolling in a school, if the student has been
 19 suspended (as defined in IC 20-33-8-7) or expelled (as defined in
 20 IC 20-33-8-3) during the twelve (12) months preceding the student's
 21 request to transfer under this section:

- 22 (1) for ten (10) or more school days;
 23 (2) for a violation under IC 20-33-8-16;
 24 (3) for causing physical injury to a student, a school employee, or
 25 a visitor to the school; or
 26 (4) for a violation of a school corporation's drug or alcohol rules.

27 For purposes of subdivision (1), student discipline received under
 28 IC 20-33-8-25(b)(7) for a violation described in subdivisions (2)
 29 through (4) shall be included in the calculation of the number of school
 30 days that a student has been suspended.

31 (k) The governing body of a school corporation with a school
 32 building that offers a special curriculum may require a student who
 33 transfers to the school building to meet the same eligibility criteria
 34 required of all students who attend the school building that offers the
 35 special curriculum.

36 (l) The parent of a student for whom a request to transfer is made is
 37 responsible for providing the school corporation to which the request
 38 is made with records or information necessary for the school
 39 corporation to determine whether the request to transfer may be denied
 40 under subsection (j).

41 (m) Notwithstanding this section, the governing body of a school
 42 corporation may authorize the school corporation to enter into an



1 agreement with an accredited nonpublic school or charter school to
2 allow students of the accredited nonpublic school or charter school to
3 transfer to a school within the school corporation.

4 (n) A school corporation that has adopted a policy to not accept
5 student transfers after June 30, 2013, is not prohibited from enrolling
6 a:

7 (1) transfer student who attended a school within the school
8 corporation during the 2012-2013 school year; or

9 (2) member of a household in which any other member of the
10 household was a transfer student who attended a school within the
11 school corporation during the 2012-2013 school year.

12 However, if a school corporation enrolls a student described in
13 subdivision (1) or (2), the school corporation shall also allow a student
14 or member of the same household of a student who attended an
15 accredited nonpublic school within the attendance area of the school
16 corporation during the 2012-2013 school year to enroll in a school
17 within the school corporation.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1382, 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 1, delete line 7, begin a new line block indented and insert:

"(1) is a nonprofit corporation registered in Indiana;".

Page 2, between lines 3 and 4, begin a new paragraph and insert:

"SECTION 2. IC 20-24-2.1-2, AS AMENDED BY P.L.280-2013, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 2. **(a)** The charter board ~~with assistance from the department,~~ shall:

(1) ~~establish a process to:~~

~~(A)~~ review a proposal to establish a charter school under IC 20-24-3-4;

~~(B)~~ **(2)** make a decision on the proposal as required under IC 20-24-3-9; ~~and~~

~~(C)~~ **(3)** monitor charter schools authorized by the charter board; and

~~(2)~~ **(2)** publish guidelines concerning the review process described in subdivision ~~(1)~~;

(4) make decisions on the renewal, nonrenewal, and revocation of charters granted by the charter board.

~~not later than December 31, 2011.~~

(b) IC 4-21.5 does not apply to a review of a decision under subsection (a)(4)."

Page 7, line 32, delete "is" and insert "are".

Page 8, between lines 16 and 17, begin a new paragraph and insert:

"SECTION 14. IC 20-24-3-9, AS AMENDED BY P.L.280-2013, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 9. An authorizer must notify an organizer that submits a proposal under section 4 of this chapter of the:

(1) acceptance of the proposal; or

(2) rejection of the proposal;

not later than seventy-five (75) days after the organizer submits the proposal, **unless the authorizer and organizer mutually agree in writing to an extension."**

Page 8, line 40, after "name" insert "**and address**".

Page 8, line 41, after "school" delete "," and insert "**and the name of the chief operating officer of the education management organization,**".



Page 10, line 25, strike "person or".

Page 11, line 28, after "of the" insert "**calendar**".

Page 15, between lines 12 and 13, begin a new line block indented and insert:

"(5) IC 20-28-5-18."

Page 16, line 16, delete "." and insert "**to the entities that distributed the funds to the charter school. A distribution under this subsection shall be on a pro rata basis.**".

Page 17, between lines 40 and 41, begin a new paragraph and insert:

"(h) An authorizer must review and monitor whether a virtual charter school that is authorized by the authorizer complies with the requirements described in subsection (g)."

Page 17, delete lines 41 through 42, begin a new paragraph and insert:

"SECTION 24. IC 20-24-9-4, AS AMENDED BY P.L.280-2013, SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 4. **(a) Notwithstanding the provisions of the charter, If an authorizer that grants a charter may revoke the charter at any time before the expiration of the term of the charter if, after the authorizer has notified the school and given reasonable time to correct the issue, the authorizer determines that: at least one (1) of the following occurs:**

- (1) ~~The an~~ **organizer fails is failing** to comply with the conditions or procedures established in the charter;
- (2) ~~The a~~ **charter school established by the organizer fails is failing** to meet the educational goals set forth in the charter;
- (3) ~~The an~~ **organizer fails is failing** to comply with all applicable laws;
- (4) ~~The an~~ **organizer fails** to meet generally accepted fiscal management and government accounting principles; **or**
- (5) one (1) or more grounds for revocation exist as specified in the charter;

the authorizer shall notify the governing board of the organizer of the charter school in writing and give the organizer a reasonable time to remedy the deficiency.

(b) If the organizer does not remedy the deficiency within the timeline established by the authorizer, the authorizer may:

- (1) order corrective action that the authorizer considers necessary to correct the deficiency, including, but not limited to, the removal or hiring of school employees;**
- (2) notwithstanding IC 23-17, remove members of the organizer's governing board; or**



(3) revoke the school's charter."

Page 18, delete lines 1 through 23.

Page 18, between lines 23 and 24, begin a new paragraph and insert:

"SECTION 23. IC 20-24-9-8 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2017]: **Sec. 8. Beginning July 1, 2017, at least fifty percent (50%) of the public meetings of a charter school board must be located in the geographic boundaries of the school corporation in which the charter school is located."**

Page 19, line 30, strike "with a defined attendance" and insert ".".

Page 19, strike line 31.

Page 19, line 36, strike "with a defined attendance".

Page 19, line 37, strike "area".

Page 19, line 40, after "area" insert ", **or in the school corporation if the school does not have a defined attendance area,"**.

Page 20, line 40, after "school" insert ",".

Page 20, line 40, strike "established under" and insert "**including a participating innovation network charter school."**

Page 20, line 41, strike "IC 20-25.7-4-3".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1382 as introduced.)

BEHNING

Committee Vote: yeas 7, nays 4.

HOUSE MOTION

Mr. Speaker: I move that House Bill 1382 be amended to read as follows:

Page 2, delete lines 31 through 36.

Renumber all SECTIONS consecutively.

(Reference is to HB 1382 as printed January 31, 2017.)

DELANEY



HOUSE MOTION

Mr. Speaker: I move that House Bill 1382 be returned to the second reading calendar forthwith for the purpose of amendment.

BEHNING

