



Reprinted
February 7, 2017

HOUSE BILL No. 1382

DIGEST OF HB 1382 (Updated February 6, 2017 3:19 pm - 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. 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 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,
(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.
February 3, 2017, engrossed.
February 6, 2017, re-read second time, amended, ordered engrossed.

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Digest Continued

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 a charter school organizer to submit a statement of economic interest for each organizer board member. 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 7, 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 20-24-2.2-1, AS AMENDED BY P.L.280-2013,
 23 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 JULY 1, 2017]: Sec. 1. The department **and each authorizer** shall
 25 establish a charter school page on the department's **and the**
 26 **authorizer's** Internet web site that includes information on the
 27 following:

28 (1) ~~All approved authorizers, including The authorizers'~~
 29 **authorizer's** processes for the following:

30 (A) Monitoring approved schools at regular intervals.

31 (B) Establishing minimum standards for renewing a charter or
 32 not renewing a charter.

33 (C) Processes and standards for school closure, including the
 34 transfer of academic records to other schools and
 35 postsecondary educational institutions.

36 (2) All pending applications for a charter.

37 (3) All approved applications for a charter.

38 (4) All rejected applications for a charter.

39 (5) The authorizer's annual report as required under IC 20-24-9.

40 SECTION 4. IC 20-24-2.2-2, AS AMENDED BY P.L.280-2013,
 41 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 JULY 1, 2017]: Sec. 2. **(a)** The minimum ~~standards~~ **standard** for



1 renewal and the ~~standards~~ **standard** to avoid closure imposed by
 2 authorizers on ~~the a~~ charter school in the charter school agreement
 3 ~~must include~~ **is** a requirement that the charter school not remain in the
 4 lowest category or designation of school improvement, including any
 5 alternative accountability category or designation, in the third year after
 6 initial placement in the lowest category or designation established
 7 under IC 20-31-8-4.

8 **(b) An authorizer of a charter school that does not meet the**
 9 **minimum standard for charter school renewal described in**
 10 **subsection (a) may petition the state board at any time to request**
 11 **permission to renew the charter school's charter notwithstanding**
 12 **the fact that the charter school does not meet the minimum**
 13 **standard. If timely notification is made, the state board shall hold**
 14 **a hearing to consider the authorizer's request at the state board's**
 15 **next regularly scheduled board meeting.**

16 **(c) In determining whether to grant a request under subsection**
 17 **(b), the state board shall consider the following:**

18 **(1) Enrollment of students with special challenges, such as**
 19 **drug or alcohol addiction, prior withdrawal from school,**
 20 **prior incarceration, or other special circumstances.**

21 **(2) High mobility of the student population resulting from the**
 22 **specific purpose of the charter school.**

23 **(3) Annual improvement in the performance of students**
 24 **enrolled in the charter school, as measured by IC 20-31-8-1,**
 25 **compared with the performance of students enrolled in the**
 26 **charter school in the immediately preceding school year.**

27 **(d) After the hearing, the state board must implement one (1) or**
 28 **more of the following actions:**

29 **(1) Grant the authorizer's request to renew the charter of the**
 30 **charter school. The state board may determine the length of**
 31 **the renewal and any conditions of the renewal placed upon**
 32 **either the charter school or the authorizer.**

33 **(2) Order the closure of the charter school at the end of the**
 34 **current school year.**

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

37 SECTION 5. IC 20-24-2.2-3 IS REPEALED [EFFECTIVE JULY
 38 1, 2017]. Sec. 3: (a) After giving at least thirty (30) days notice, the
 39 state board may require an authorizer to appear at a hearing conducted
 40 by the state board if the authorizer has renewed the charter of or failed
 41 to close a charter school that does not meet the minimum standards in
 42 the charter agreement as provided in section 2 of this chapter, as posted



1 on the department's Internet web site.

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

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

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

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

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

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

19 (1) Enrollment of students with special challenges such as drug or
20 alcohol addiction, prior withdrawal from school, prior
21 incarceration, or other special circumstances.

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

24 (3) Annual improvement in the performance of students enrolled
25 in the charter school, as measured by IC 20-31-8-1, compared
26 with the performance of students enrolled in the charter school in
27 the immediately preceding school year.

28 SECTION 6. IC 20-24-2.2-4, AS AMENDED BY P.L.280-2013,
29 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
30 JULY 1, 2017]: Sec. 4. If the state board has closed or transferred
31 authorization of at least twenty-five percent (25%) of the charter
32 schools chartered by one (1) authorizer under section 3 of this chapter;
33 **any authorizer renews the charter of, fails to close, or grants a new**
34 **charter to a charter school that the state board has ordered closed**
35 **under section 2(d) of this chapter**, the authorizer's authority to
36 authorize new charter schools may be suspended by the state board
37 until **such a time as** the state board **formally** approves the authorizer
38 to authorize new charter schools. A determination under this section to
39 suspend an authorizer's authority to authorize new charter schools must
40 identify the deficiencies that, if corrected, will result in the approval of
41 the authorizer to authorize new charter schools.

42 SECTION 7. IC 20-24-2.2-5, AS AMENDED BY P.L.233-2015,



1 SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2017]: Sec. 5. (a) The purpose of this section is to establish a
3 cooperative relationship:

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

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

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

- 12 (1) Education records (as defined in 20 U.S.C. 1232g(a)(4), as in
13 effect January 1, 2013) of students who enrolled in a charter
14 school authorized by an authorizer that are in the possession of
15 the department or the state board.
16 (2) Records in the possession of the department or the state board
17 that relate to the evaluation of the performance of a charter school
18 authorized by an authorizer or students who are enrolled in a
19 charter school authorized by an authorizer.
20 (3) Records in the possession of the department or the state board
21 that relate to the evaluation of the performance of certified
22 employees employed by a charter school authorized by an
23 authorizer.
24 (4) Records in the possession of the department or the state board
25 related to the evaluation of the performance of an authorizer.

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

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

- 32 (1) electronic access to; or
33 (2) written copies of;

34 covered records, as requested by the authorizer, that relate to a charter
35 school authorized by the authorizer or to the students or certified
36 employees of the charter school. The department shall provide the
37 covered records on a schedule determined by the authorizer.

38 ~~(d)~~ (e) The department shall provide, without charge, an authorizer
39 with a summary of the covered records that relate to a charter school
40 authorized by the authorizer or to the students or certified employees
41 of the charter school. The department shall provide the summary
42 described in this subsection to the authorizer at least once each month.



1 The authorizer may receive either paper copies of the summary or
 2 copies of the summary transmitted electronically, at the option of the
 3 authorizer. The summary must be sufficiently detailed to identify each
 4 category or collection of covered records. The department and the
 5 authorizer shall consult one another as necessary to carry out this
 6 section.

7 ~~(e)~~ (f) An authorizer shall protect covered records received by the
 8 authorizer in a manner that will not permit the personal identification
 9 of students and their parents by persons other than officials of the
 10 authorizer who are directly involved in the authorization program or
 11 involved with studies related to charter schools authorized by the
 12 authorizer. An authorizer shall destroy personally identifiable data
 13 when the information is no longer needed for purposes of audit,
 14 evaluation, and enforcement of state and federal requirements related
 15 to the charter schools authorized by the authorizer.

16 SECTION 8. IC 20-24-2.2-6, AS ADDED BY P.L.280-2013,
 17 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 JULY 1, 2017]: Sec. 6. (a) If ~~the~~ deficiencies identified under section
 19 ~~3 4~~ of this chapter are not corrected within two (2) years after the date
 20 the state board suspends the authorizer's authority to authorize new
 21 charter schools in a final order under section 4 of this chapter, the state
 22 board, following an affirmative vote of two-thirds (2/3) of the
 23 members, may revoke the authorizer's authority to function as an
 24 authorizer. The state board shall take all necessary steps to
 25 decommission the authorizer, including overseeing the orderly winding
 26 up of authorization activities or responsibilities, and ensuring the
 27 transfer of any charter school records or administrative fees due under
 28 IC 20-24-7-4 in the authorizer's custody.

29 (b) Charter schools authorized by an authorizer that has been
 30 decommissioned under subsection (a) must apply to be approved by
 31 another authorizer within one hundred fifty (150) days after the date the
 32 state board revokes the authorizer's authority to function as an
 33 authorizer, regardless of whether the state board has begun the process
 34 of winding up authorization activities of the authorizer. A charter
 35 school that is not approved under this subsection must close at the end
 36 of the charter school's current school year containing the date in which
 37 the charter school's application under this subsection is disapproved.
 38 A charter school that is closed by the state board under section ~~3 2~~
 39 of this chapter may not be approved by another authorizer under this
 40 subsection.

41 SECTION 9. IC 20-24-3-2, AS AMENDED BY P.L.280-2013,
 42 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JULY 1, 2017]: Sec. 2. (a) An authorizer may not grant a charter to a
2 for-profit ~~organizer~~ entity.

3 **(b) If an organizer has not received a determination by the**
4 **Internal Revenue Service of its tax exempt status as of the date the**
5 **organizer is scheduled to provide instruction to students attending**
6 **the charter school, the organizer must request and receive express**
7 **written authorization from the authorizer that the organizer may**
8 **provide instruction to students attending the charter school**
9 **pending such determination.**

10 **(c) The organizer shall immediately inform the authorizer if the**
11 **organizer's tax exempt status is questioned, modified, or revoked**
12 **by the Internal Revenue Service or if the organizer's nonprofit**
13 **corporation status is questioned, modified, or revoked by the state.**

14 SECTION 10. IC 20-24-3-2.5, AS ADDED BY P.L.280-2013,
15 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 JULY 1, 2017]: Sec. 2.5. If a proposed charter school intends to
17 contract with an education service provider for substantial educational
18 services, management services, or both educational services and
19 management services, the request for proposals shall require the
20 applicants to provide the following:

21 (1) Evidence of the education service provider's success in
22 serving student populations similar to the targeted populations,
23 including demonstrated academic achievement as well as
24 successful management of nonacademic school functions, if
25 applicable.

26 (2) A term sheet setting forth: ~~the~~:

27 (A) ~~the~~ proposed duration of the service contract;

28 (B) ~~the~~ roles and responsibilities of the organizer, the school
29 staff, and the education service provider;

30 (C) ~~the~~ performance evaluation measures and timelines;

31 (D) ~~the~~ compensation structure, including clear identification
32 of all fees to be paid to the education service provider;

33 (E) ~~the~~ methods of contract oversight and enforcement;

34 (F) ~~the~~ investment disclosure; ~~and~~

35 **(G) that the school and the authorizer are entitled to any**
36 **data in the possession of the education service provider**
37 **relating to the management or operation of the school,**
38 **including student data; and**

39 ~~(G)~~ **(H) the** conditions for renewal and termination of the
40 contract.

41 (3) A disclosure statement to explain any existing or potential
42 conflicts of interest between the organizer and the proposed



1 education service provider or any affiliated business entities.

2 (4) Assurance that the organizer will be structurally independent
3 of the education service provider and shall set and approve school
4 policies. The assurance must also provide that the terms of the
5 service contract must be reached by the organizer and the
6 education service provider through arms length negotiations in
7 which the organizer must be represented by legal counsel. The
8 legal counsel may not also represent the education service
9 provider.

10 SECTION 11. IC 20-24-3-4, AS AMENDED BY P.L.179-2016,
11 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
12 JULY 1, 2017]: Sec. 4. (a) An organizer may submit to the authorizer
13 a proposal to establish a charter school.

14 (b) A proposal must contain at least the following information:

15 (1) Identification of the organizer.

16 (2) A description of the organizer's organizational structure and
17 governance plan.

18 (3) The following information for the proposed charter school:

19 (A) Name.

20 (B) Purposes.

21 (C) Governance structure.

22 (D) Management structure.

23 (E) Educational mission goals.

24 (F) Curriculum and instructional methods.

25 (G) Methods of pupil assessment.

26 (H) Admission policy and criteria, subject to IC 20-24-5.

27 (I) School calendar.

28 (J) Age or grade range of students to be enrolled.

29 (K) A description of staff responsibilities.

30 (L) A description of the physical plant.

31 (M) Budget and financial plans.

32 (N) Personnel plan, including methods for selection, retention,
33 and compensation of employees.

34 (O) Transportation plan.

35 (P) Discipline program, subject to IC 20-24-5.5.

36 (Q) Plan for compliance with any applicable desegregation
37 order.

38 (R) The date when the charter school is expected to:

39 (i) begin school operations; and

40 (ii) have students attending the charter school.

41 (S) The arrangement for providing teachers and other staff
42 with health insurance, retirement benefits, liability insurance,



1 and other benefits.

2 (T) Any other applications submitted to an authorizer in the
3 previous five (5) years.

4 (4) The manner in which the authorizer must conduct an annual
5 audit of the program operations of the charter school.

6 **(c) Beginning July 1, 2017, at the time an organizer submits a**
7 **proposal under subsection (a), the organizer shall submit to the**
8 **authorizer and department a statement of economic interest that**
9 **contains the same information specified under IC 3-8-9-8 for each**
10 **board member of the proposed charter school.**

11 ~~(c)~~ (d) In the case of a charter school proposal from an applicant
12 that currently operates one (1) or more charter schools in any state or
13 nation, the request for proposals shall additionally require the applicant
14 to provide evidence of past performance and current capacity for
15 growth.

16 ~~(d)~~ (e) If the proposal described in subsection (a) concerns an
17 existing charter school overseen by a different authorizer than the
18 authorizer to which the organizer is submitting the proposal, the
19 proposal must include written acknowledgement of the proposal from
20 the current authorizer. Additionally, the authorizer receiving the
21 proposal shall consult with the current authorizer before granting
22 approval of the proposal.

23 ~~(e)~~ (f) This section does not waive, limit, or modify the provisions
24 of:

25 (1) IC 20-29 in a charter school where the teachers have chosen
26 to organize under IC 20-29; or

27 (2) an existing collective bargaining agreement for noncertificated
28 employees (as defined in IC 20-29-2-11).

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

33 **(1) The charter school** does not, by the date specified in the
34 charter,

35 ~~(1)~~ begin school operations and

36 ~~(2)~~ have students attending the charter school.

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

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



- 1 (1) acceptance of the proposal; or
- 2 (2) rejection of the proposal;
- 3 not later than seventy-five (75) days after the organizer submits the
- 4 proposal, **unless the authorizer and organizer mutually agree in**
- 5 **writing to an extension.**

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

- 10 ~~(1) Receipt of a proposal:~~
- 11 ~~(2) (1) acceptance of a proposal; and~~
- 12 ~~(3) Rejection of a proposal; including the reasons for the~~
- 13 ~~rejection.~~
- 14 ~~(4) (2) the length of time for which a charter is granted.~~
- 15 ~~(5) School goals, educational program design, and an education~~
- 16 ~~management organization operating a school, if applicable.~~
- 17 ~~(6) The name and address of the education management~~
- 18 ~~organization, and the name of the chief operating officer of the~~
- 19 ~~education management organization, if applicable.~~

20 (b) The ~~department~~ **authorizer** shall annually do the following:

- 21 (1) Compile the **following** information ~~received under subsection~~
- 22 ~~(a)~~ into a report:

- 23 **(A) Proposals received.**
- 24 **(B) Proposals accepted, including the length of time for**
- 25 **which a charter is granted.**
- 26 **(C) Proposals rejected, including the reasons for the**
- 27 **rejection.**
- 28 **(D) School goals, educational program design, and the**
- 29 **name and address of the education management**
- 30 **organization operating the school and the name of the chief**
- 31 **operating officer of the education management**
- 32 **organization, if applicable.**

- 33 (2) Submit the report in an electronic format under IC 5-14-6 to
- 34 the legislative council.

35 SECTION 15. IC 20-24-3-11, AS AMENDED BY P.L.280-2013,
 36 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JULY 1, 2017]: Sec. 11. If an authorizer rejects a charter school
 38 proposal, the organizer may:

- 39 (1) amend the charter school proposal and resubmit the proposal
- 40 to the same authorizer; **or**
- 41 (2) submit a charter school proposal to another authorizer. ~~or~~
- 42 ~~(3) appeal the decision to the charter school review panel~~



- 1 established by section 12 of this chapter.
- 2 SECTION 16. IC 20-24-3-12 IS REPEALED [EFFECTIVE JULY
- 3 1, 2017]. Sec. 12: (a) This section applies if the authorizer rejects a
- 4 proposal:
- 5 (b) The organizer may appeal the decision of the authorizer to the
- 6 charter school review panel established by subsection (c):
- 7 (c) The charter school review panel is established. The members of
- 8 the panel are as follows:
- 9 (1) The governor or the governor's designee.
- 10 (2) The state superintendent, who shall chair the panel.
- 11 (3) A member of the state board appointed by the state
- 12 superintendent.
- 13 (4) A person with financial management experience appointed by
- 14 the governor.
- 15 (5) A community leader with knowledge of charter school issues
- 16 appointed jointly by the governor and the state superintendent.
- 17 A member shall serve a two (2) year term and may be reappointed to
- 18 the panel upon expiration of the member's term.
- 19 (d) All decisions of the panel shall be determined by a majority vote
- 20 of the panel's members.
- 21 (e) Upon the request of an organizer, the panel shall meet to
- 22 consider the organizer's proposal and the authorizer's reasons for
- 23 rejecting the proposal. The panel must allow the organizer and
- 24 authorizer to participate in the meeting.
- 25 (f) After the panel meets under subsection (e), the panel shall make
- 26 one (1) of the following findings and issue the finding to the organizer
- 27 and the authorizer:
- 28 (1) A finding that supports the authorizer's rejection of the
- 29 proposal.
- 30 (2) A finding that:
- 31 (A) recommends that the organizer amend the proposal; and
- 32 (B) specifies the changes to be made in the proposal if the
- 33 organizer elects to amend the proposal.
- 34 (3) A finding that approves the proposal.
- 35 The panel shall issue the finding not later than forty-five (45) days after
- 36 the panel receives the request for review.
- 37 (g) If the panel makes a finding described in subsection (f)(1), the
- 38 finding is final.
- 39 (h) If the panel makes a finding described in subsection (f)(2), the
- 40 organizer may amend the proposal according to the panel's
- 41 recommendations and resubmit the proposal directly to the panel.
- 42 (i) If the panel makes a finding described in subsection (f)(3), the



1 proposal is considered conditionally approved. The approval shall be
 2 considered final upon delivery to the panel of written notice from the
 3 organizer and an eligible authorizer that the authorizer has agreed to
 4 serve as an authorizer for the proposal approved by the panel.

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

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

11 (b) Except as provided in subsection (c), the ultimate responsibility
 12 for choosing to authorize a charter school and responsibilities for
 13 maintaining authorization rest with the university's board of trustees.

14 (c) The university's board of trustees ~~may vote to~~ **shall** assign
 15 authorization authority and authorization responsibilities to another
 16 ~~person or~~ entity that functions under the direction of the university's
 17 board. A decision made under this subsection shall be communicated
 18 in writing to the department. ~~and the charter school review panel.~~

19 (d) **An entity created under subsection (c) is subject to**
 20 **IC 5-14-1.5 and IC 5-14-3.**

21 ~~(d)~~ (e) Before a university may authorize a charter school, the
 22 university must conduct a public meeting with public notice in the
 23 school corporation where the charter school will be located. If the
 24 location of the proposed charter school has not been identified, the
 25 public hearing must be held within the county where the proposed
 26 charter school would be located.

27 SECTION 18. IC 20-24-4-1, AS AMENDED BY P.L.5-2015,
 28 SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JULY 1, 2017]: Sec. 1. (a) A charter must meet the following
 30 requirements:

- 31 (1) Be a written instrument.
- 32 (2) Be executed by an authorizer and an organizer.
- 33 (3) Confer certain rights, franchises, privileges, and obligations
- 34 on a charter school.
- 35 (4) Confirm the status of a charter school as a public school.
- 36 (5) **Subject to subdivision (6)(E)**, be granted for:
 - 37 (A) not less than three (3) years or more than seven (7) years;
 - 38 and
 - 39 (B) a fixed number of years agreed to by the authorizer and the
 - 40 organizer.
- 41 (6) Provide for the following:
 - 42 (A) A review by the authorizer of the charter school's



- 1 performance, including the progress of the charter school in
 2 achieving the academic goals set forth in the charter, at least
 3 one (1) time in each five (5) year period while the charter is in
 4 effect.
- 5 (B) Renewal, if the authorizer and the organizer agree to renew
 6 the charter.
- 7 (C) The renewal application must include guidance from the
 8 authorizer, and the guidance must include the performance
 9 criteria that will guide the authorizer's renewal decisions.
- 10 (D) The renewal application process must, at a minimum,
 11 provide an opportunity for the charter school to:
- 12 (i) present additional evidence, beyond the data contained in
 13 the performance report, supporting its case for charter
 14 renewal;
- 15 (ii) describe improvements undertaken or planned for the
 16 charter school; and
- 17 (iii) detail the charter school's plans for the next charter
 18 term.
- 19 (E) Not later than ~~October 1~~ **in the end of the calendar** year
 20 in which the charter school seeks renewal of a charter, the
 21 governing board of a charter school seeking renewal shall
 22 submit a renewal application to the charter authorizer under
 23 the renewal application guidance issued by the authorizer. The
 24 authorizer shall make a final ruling on the renewal application
 25 not later than ~~March 1~~ **April 30** after the filing of the renewal
 26 application. **A renewal granted under this clause is not**
 27 **subject to the three (3) year minimum described in**
 28 **subdivision (5).** The ~~March 1~~ **April 30** deadline does not
 29 apply to any review or appeal of a final ruling. After the final
 30 ruling is issued, the charter school may obtain further review
 31 by the authorizer of the authorizer's final ruling in accordance
 32 with the terms of the charter school's charter and the protocols
 33 of the authorizer.
- 34 (7) Specify the grounds for the authorizer to:
- 35 (A) revoke the charter before the end of the term for which the
 36 charter is granted; or
- 37 (B) not renew a charter.
- 38 (8) Set forth the methods by which the charter school will be held
 39 accountable for achieving the educational mission and goals of
 40 the charter school, including the following:
- 41 (A) Evidence of improvement in:
- 42 (i) assessment measures, including the ISTEP and end of



- 1 course assessments;
 2 (ii) attendance rates;
 3 (iii) graduation rates (if appropriate);
 4 (iv) increased numbers of Core 40 diplomas and other
 5 college and career ready indicators including advanced
 6 placement participation and passage, dual credit
 7 participation and passage, and International Baccalaureate
 8 participation and passage (if appropriate);
 9 (v) increased numbers of academic honors and technical
 10 honors diplomas (if appropriate);
 11 (vi) student academic growth;
 12 (vii) financial performance and stability; and
 13 (viii) governing board performance and stewardship,
 14 including compliance with applicable laws, rules and
 15 regulations, and charter terms.
 16 (B) Evidence of progress toward reaching the educational
 17 goals set by the organizer.
 18 (9) Describe the method to be used to monitor the charter
 19 school's:
 20 (A) compliance with applicable law; and
 21 (B) performance in meeting targeted educational performance.
 22 (10) Specify that the authorizer and the organizer may amend the
 23 charter during the term of the charter by mutual consent and
 24 describe the process for amending the charter.
 25 (11) Describe specific operating requirements, including all the
 26 matters set forth in the application for the charter.
 27 (12) Specify a date when the charter school will:
 28 (A) begin school operations; and
 29 (B) have students attending the charter school.
 30 (13) Specify that records of a charter school relating to the
 31 school's operation and charter are subject to inspection and
 32 copying to the same extent that records of a public school are
 33 subject to inspection and copying under IC 5-14-3.
 34 (14) Specify that records provided by the charter school to the
 35 department or authorizer that relate to compliance by the
 36 organizer with the terms of the charter or applicable state or
 37 federal laws are subject to inspection and copying in accordance
 38 with IC 5-14-3.
 39 (15) Specify that the charter school is subject to the requirements
 40 of IC 5-14-1.5.
 41 (16) This subdivision applies to a charter established or renewed
 42 for an adult high school after June 30, 2014. The charter must



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

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

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

- (1) ensure that a student who attends the charter school during a



- 1 school year may continue to attend the charter school in
 2 subsequent years;
- 3 (2) ensure that a student who attends a charter school during a
 4 school year may continue to attend a different charter school held
 5 by the same organizer in subsequent years;
- 6 (3) allow the siblings of a student who attends a charter school or
 7 a charter school held by the same organizer to attend the same
 8 charter school the student is attending; and
- 9 (4) allow preschool students who attend a Level 3 or Level 4
 10 Paths to QUALITY program (as defined in IC 12-17.2-3.8-1)
 11 preschool to attend kindergarten at a charter school if the charter
 12 school and the preschool provider have entered into an agreement
 13 to share services or facilities.

14 (d) This subsection applies to an existing school that converts to a
 15 charter school under IC 20-24-11. During the school year in which the
 16 existing school converts to a charter school, the charter school may
 17 limit admission to:

- 18 (1) those students who were enrolled in the charter school on the
 19 date of the conversion; and
- 20 (2) siblings of students described in subdivision (1).
- 21 (e) A charter school may give enrollment preference to children of
 22 the charter school's founders, governing body members, and charter
 23 school employees, as long as the enrollment preference under this
 24 subsection is not given to more than ten percent (10%) of the charter
 25 school's total population.

26 (f) A charter school may not suspend or expel a charter school
 27 student or otherwise request a charter school student to transfer to
 28 another school on the basis of the following:

- 29 (1) Disability.
- 30 (2) Race.
- 31 (3) Color.
- 32 (4) Gender.
- 33 (5) National origin.
- 34 (6) Religion.
- 35 (7) Ancestry.

36 A charter school student may be expelled or suspended only in a
 37 manner consistent with discipline rules established under IC 20-24-5.5.

38 SECTION 20. IC 20-24-6-5, AS AMENDED BY P.L.6-2012,
 39 SECTION 129, IS AMENDED TO READ AS FOLLOWS
 40 [EFFECTIVE JULY 1, 2017]: Sec. 5. **(a) For purposes of this section,**
 41 **"license" means any credential under the following:**

- 42 (1) IC 20-28-5-2.



1 **(2) IC 20-28-5-15.**

2 **(3) IC 20-28-5-16.**

3 **(4) IC 20-28-5-17.**

4 **(5) IC 20-28-5-18.**

5 ~~(a)~~ **(b)** At least ninety percent (90%) of the individuals who teach
6 full time in a charter school must either:

7 (1) hold a license to teach in a public school in Indiana; ~~under~~
8 ~~IC 20-28-5~~; or

9 (2) be in the process of obtaining a license to teach in a public
10 school in Indiana under the transition to teaching program
11 established by IC 20-28-4-2;

12 unless the charter school requests and the state board approves a
13 waiver for a lower percentage.

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

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

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

23 Individuals qualifying under this subsection may not exceed ten percent
24 (10%) of the full time teaching staff unless the charter school requests
25 and the state board approves a waiver for a higher percentage.

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

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

34 ~~(e)~~ **(f)** An individual who provides to students in a charter school a
35 service:

36 (1) that is not teaching; and

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

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

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

42 (1) an authorizer:



- 1 (A) revokes a charter before the end of the term for which the
 2 charter is granted; or
 3 (B) does not renew a charter; or
 4 (2) a charter school otherwise terminates its charter before the end
 5 of the term for which the charter is granted.
- 6 (b) Any state funds that remain to be distributed to the charter
 7 school in the state fiscal year in which an event described in subsection
 8 (a) occurs shall be distributed **to the entities that distributed the**
 9 **funds to the charter school. A distribution under this subsection**
 10 **shall be on a pro rata basis.** as follows:
- 11 (1) First, to the common school loan fund to repay any existing
 12 obligations of the charter school under IC 20-49-7 (repealed).
 13 (2) Second, to the entities that distributed the funds to the charter
 14 school. A distribution under this subdivision shall be on a pro rata
 15 basis.
- 16 (c) If the funds described in subsection (b) are insufficient to repay
 17 all existing obligations of the charter school under IC 20-49-7
 18 (repealed); the state shall repay any remaining obligations of the
 19 charter school under IC 20-49-7 (repealed) from the amount
 20 appropriated for state tuition support distributions.
- 21 SECTION 22. IC 20-24-7-13, AS AMENDED BY P.L.213-2015,
 22 SECTION 160, IS AMENDED TO READ AS FOLLOWS
 23 [EFFECTIVE JULY 1, 2017]: Sec. 13. (a) As used in this section,
 24 "virtual charter school" means any charter school, including a
 25 conversion charter school, that provides for the delivery of more than
 26 fifty percent (50%) of instruction to students through:
 27 (1) virtual distance learning;
 28 (2) online technologies; or
 29 (3) computer based instruction.
- 30 **in which more than seventy-five percent (75%) of instruction is**
 31 **provided in an interactive learning environment created through**
 32 **technology in which students are separated from their teacher by**
 33 **time or space, or both.**
- 34 (b) A virtual charter school may apply for authorization with any
 35 statewide authorizer in accordance with the authorizer's guidelines.
- 36 (c) For state fiscal years beginning after June 30, 2013, a virtual
 37 charter school is entitled to receive funding in a month from the state
 38 in an amount equal to the sum of:
 39 (1) the product of:
 40 (A) the number of students included in the virtual charter
 41 school's current ADM; multiplied by
 42 (B) the result of:



- 1 (i) ninety percent (90%) of the school's foundation amount
 2 determined under IC 20-43-5-4; divided by
 3 (ii) twelve (12); plus
 4 (2) the total of any:
 5 (A) special education grants under IC 20-43-7;
 6 (B) career and technical education grants under IC 20-43-8;
 7 (C) honor grants under IC 20-43-10; and
 8 (D) complexity grants under IC 20-43-13;
 9 to which the virtual charter school is entitled for the month.
 10 For state fiscal years beginning after June 30, 2013, a virtual charter
 11 school is entitled to receive special education grants under IC 20-43-7
 12 calculated in the same manner as special education grants are
 13 calculated for other school corporations.
 14 (d) The state board shall adopt rules under IC 4-22-2 to govern the
 15 operation of virtual charter schools.
 16 (e) The department, with the approval of the state board, shall
 17 before December 1 of each year submit an annual report to the budget
 18 committee concerning the program under this section.
 19 (f) Each school year, at least sixty percent (60%) of the students
 20 who are enrolled in virtual charter schools under this section for the
 21 first time must have been included in the state's fall count of ADM
 22 conducted in the previous school year.
 23 **(g) A virtual charter school must adopt a student engagement**
 24 **policy. A student who regularly fails to participate in courses may**
 25 **be withdrawn from enrollment under policies adopted by the**
 26 **virtual charter school. The policies adopted by the virtual charter**
 27 **school must ensure that:**
 28 **(1) adequate notice of the withdrawal is provided to the**
 29 **parent and the student; and**
 30 **(2) an opportunity is provided, before the withdrawal of the**
 31 **student by the virtual charter school, for the student or the**
 32 **parent to demonstrate that failure to participate in the course**
 33 **is due to an event that would be considered an excused**
 34 **absence under IC 20-33-2.**
 35 **(h) An authorizer must review and monitor whether a virtual**
 36 **charter school that is authorized by the authorizer complies with**
 37 **the requirements described in subsection (g).**
 38 SECTION 23. IC 20-24-9-4, AS AMENDED BY P.L.280-2013,
 39 SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JULY 1, 2017]: Sec. 4. **(a) Notwithstanding the provisions of the**
 41 **charter, If an authorizer that grants a charter may revoke the charter at**
 42 **any time before the expiration of the term of the charter if, after the**



1 authorizer has notified the school and given reasonable time to correct
 2 the issue; the authorizer determines that: at least one (1) of the
 3 following occurs:

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

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

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

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

25 SECTION 24. IC 20-24-9-8 IS ADDED TO THE INDIANA CODE
 26 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 27 1, 2017]: **Sec. 8. Beginning July 1, 2017, at least fifty percent (50%)**
 28 **of the public meetings of a charter school board must be located in**
 29 **the geographic boundaries of the school corporation in which the**
 30 **charter school is located.**

31 SECTION 25. IC 20-25.7-5-2, AS AMENDED BY P.L.179-2016,
 32 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JULY 1, 2017]: Sec. 2. (a) ~~Notwithstanding IC 20-26-7-1;~~ The board
 34 may enter into an agreement with an organizer to reconstitute an
 35 eligible school as a participating innovation network charter school or
 36 to establish a participating innovation network charter school **at a**
 37 **location selected by the board within the boundary of the school**
 38 **corporation. Notwithstanding IC 20-26-7-1, a participating**
 39 **innovation network charter school may be established** within a
 40 vacant underutilized, or underenrolled school building. ~~as determined~~
 41 ~~by the board.~~

42 (b) The terms of the agreement entered into between the board and



- 1 an organizer must specify the following:
- 2 (1) A statement that the organizer authorizes the department to
- 3 include the charter school's performance assessment results under
- 4 IC 20-31-8 when calculating the school corporation's performance
- 5 assessment under rules adopted by the state board.
- 6 (2) The amount of state funding, including tuition support, and
- 7 money levied as property taxes that will be distributed by the
- 8 school corporation to the organizer.
- 9 (3) The performance goals and accountability metrics agreed
- 10 upon for the charter school in the charter agreement between the
- 11 organizer and the authorizer.
- 12 (c) If an organizer and the board enter into an agreement under
- 13 subsection (a), the organizer and the board shall notify the department
- 14 that the agreement has been made under this section within thirty (30)
- 15 days after the agreement is entered into.
- 16 (d) Upon receipt of the notification under subsection (c), for school
- 17 years starting after the date of the agreement:
- 18 (1) the department shall include the participating innovation
- 19 network charter school's performance assessment results under
- 20 IC 20-31-8 when calculating the school corporation's performance
- 21 assessment under rules adopted by the state board;
- 22 (2) the department shall treat the participating innovation network
- 23 charter school in the same manner as a school operated by the
- 24 school corporation when calculating the total amount of state
- 25 funding to be distributed to the school corporation; and
- 26 (3) if requested by a participating innovation network charter
- 27 school that reconstitutes an eligible school, the department may
- 28 use student growth as the state board's exclusive means to
- 29 determine the innovation network charter school's category or
- 30 designation of school improvement under 511 IAC 6.2-10-10 for
- 31 a period of three (3) years.
- 32 SECTION 26. IC 20-25.7-5-5, AS ADDED BY P.L.179-2016,
- 33 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 34 JULY 1, 2017]: Sec. 5. (a) IC 20-24-5-5 (with the exception of
- 35 IC 20-24-5-5(f)) does not apply to a participating innovation network
- 36 charter school that enters into an agreement with the board to
- 37 reconstitute or establish an eligible school. ~~with a defined attendance~~
- 38 ~~area.~~
- 39 (b) Except as provided in subsection (c), a participating innovation
- 40 network charter school must enroll any eligible student who submits a
- 41 timely application for enrollment.
- 42 (c) A participating innovation network charter school that



1 reconstitutes or establishes an eligible school ~~with a defined attendance~~
 2 ~~area~~ may limit new admissions to the participating innovation network
 3 charter school to:

4 (1) ensure that any student with legal settlement in the attendance
 5 area, **or in the school corporation if the school does not have**
 6 **a defined attendance area**, may attend the charter school;

7 (2) ensure that a student who attends the participating innovation
 8 network charter school during a school year may continue to
 9 attend the charter school in subsequent years;

10 (3) allow the siblings of a student who attends the participating
 11 innovation network charter school to attend the charter school;
 12 and

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

19 (d) A participating innovation network charter school may give
 20 enrollment preferences to children of the participating innovation
 21 network charter school's founders, governing board members, and
 22 participating innovation network charter school employees, as long as
 23 the enrollment preference under this subsection is not given to more
 24 than ten percent (10%) of the participating innovation charter school's
 25 total population and there is sufficient capacity for a program, class,
 26 grade level, or building to ensure that any student with legal settlement
 27 in the attendance area may attend the school.

28 (e) This subsection applies if the number of applications for a
 29 program, class, grade level, or building exceeds the capacity of the
 30 program, class, grade level, or building. If a participating innovation
 31 network charter school receives a greater number of applications than
 32 there are spaces for students, each timely applicant must be given an
 33 equal chance of admission. The participating innovation network
 34 charter school **that is not in a county containing a consolidated city**
 35 must determine which of the applicants will be admitted to the
 36 participating innovation network charter school or the program, class,
 37 grade level, or building by random drawing in a public meeting with
 38 each timely applicant limited to one (1) entry in the drawing. **However,**
 39 **the participating innovation network charter school located in a**
 40 **county with a consolidated city shall determine which of the**
 41 **applicants will be admitted to the participating innovation network**
 42 **charter school or the program, class, grade level, or building by**



1 **using a publicly verifiable random selection process.**

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

6 ~~(1)~~ an innovation network school, ~~established under~~ **including a**
7 **participating innovation network charter school.**

8 ~~IC 20-25.7-4-3. or~~

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

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

12 (c) The fund consists of the following:

13 (1) Appropriations made by the general assembly.

14 (2) Gifts, grants, or donations.

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

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

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

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

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

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

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

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

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

39 SECTION 29. IC 20-26-11-6.5, AS ADDED BY P.L.17-2015,
40 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
41 JULY 1, 2017]: Sec. 6.5. (a) Notwithstanding this chapter, a school
42 corporation shall accept a transferring student who does not have legal



1 settlement in the school corporation and who has a parent who is a
 2 current employee of the transferee school corporation who resides in
 3 Indiana if the transferee school corporation has the capacity to accept
 4 the student.

5 (b) If the number of students who request to transfer to a transferee
 6 school corporation under this section causes the school corporation to
 7 exceed the school corporation's maximum student capacity, the
 8 governing body shall determine which students will be admitted as
 9 transfer students by a random drawing in a public meeting. **However,**
 10 **the governing body of a school corporation located in a county with**
 11 **a consolidated city shall determine which students will be admitted**
 12 **by using a publicly verifiable random selection process.**

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

19 (b) The governing body of a school corporation shall annually
 20 establish:

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

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

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

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

30 (2) report the date to the department.

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

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

37 (f) If the number of requests to transfer into a school corporation
 38 received by the date established for the school corporation under
 39 subsection (b)(2) exceeds the capacity established for the school
 40 corporation under subsection (b)(1), each timely request must be given
 41 an equal chance to be accepted, with the exception that a student
 42 described in subsection (h) shall be given priority. The governing body



1 must determine which students will be admitted as transfer students to
 2 each school building and each grade level within the school corporation
 3 by a ~~random drawing in a public meeting~~; **using a publicly verifiable**
 4 **random selection process.**

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

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

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

17 (i) A governing body of a school corporation may limit the number
 18 of new transfers to a school building or grade level in the school
 19 corporation:

- 20 (1) to ensure that a student who attends a school within the school
 21 corporation as a transfer student during a school year may
 22 continue to attend the school in subsequent school years; and
- 23 (2) to allow a student described in subsection (h) to attend a
 24 school within the school corporation.

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

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

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

41 (k) The governing body of a school corporation with a school
 42 building that offers a special curriculum may require a student who



1 transfers to the school building to meet the same eligibility criteria
2 required of all students who attend the school building that offers the
3 special curriculum.

4 (l) The parent of a student for whom a request to transfer is made is
5 responsible for providing the school corporation to which the request
6 is made with records or information necessary for the school
7 corporation to determine whether the request to transfer may be denied
8 under subsection (j).

9 (m) Notwithstanding this section, the governing body of a school
10 corporation may authorize the school corporation to enter into an
11 agreement with an accredited nonpublic school or charter school to
12 allow students of the accredited nonpublic school or charter school to
13 transfer to a school within the school corporation.

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

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

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

22 However, if a school corporation enrolls a student described in
23 subdivision (1) or (2), the school corporation shall also allow a student
24 or member of the same household of a student who attended an
25 accredited nonpublic school within the attendance area of the school
26 corporation during the 2012-2013 school year to enroll in a school
27 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)~~ 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

HOUSE MOTION

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

Page 8, between lines 18 and 19, begin a new paragraph and insert:
"SECTION 12. IC 20-24-3-4, AS AMENDED BY P.L.179-2016, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 4. (a) An organizer may submit to the authorizer a proposal to establish a charter school.

- (b) A proposal must contain at least the following information:
 - (1) Identification of the organizer.
 - (2) A description of the organizer's organizational structure and governance plan.
 - (3) The following information for the proposed charter school:
 - (A) Name.
 - (B) Purposes.
 - (C) Governance structure.
 - (D) Management structure.
 - (E) Educational mission goals.
 - (F) Curriculum and instructional methods.
 - (G) Methods of pupil assessment.
 - (H) Admission policy and criteria, subject to IC 20-24-5.
 - (I) School calendar.
 - (J) Age or grade range of students to be enrolled.
 - (K) A description of staff responsibilities.
 - (L) A description of the physical plant.
 - (M) Budget and financial plans.
 - (N) Personnel plan, including methods for selection, retention, and compensation of employees.
 - (O) Transportation plan.
 - (P) Discipline program, subject to IC 20-24-5.5.
 - (Q) Plan for compliance with any applicable desegregation order.



(R) The date when the charter school is expected to:

- (i) begin school operations; and
- (ii) have students attending the charter school.

(S) The arrangement for providing teachers and other staff with health insurance, retirement benefits, liability insurance, and other benefits.

(T) Any other applications submitted to an authorizer in the previous five (5) years.

(4) The manner in which the authorizer must conduct an annual audit of the program operations of the charter school.

(c) Beginning July 1, 2017, at the time an organizer submits a proposal under subsection (a), the organizer shall submit to the authorizer and department a statement of economic interest that contains the same information specified under IC 3-8-9-8 for each board member of the proposed charter school.

~~(c)~~ (d) In the case of a charter school proposal from an applicant that currently operates one (1) or more charter schools in any state or nation, the request for proposals shall additionally require the applicant to provide evidence of past performance and current capacity for growth.

~~(d)~~ (e) If the proposal described in subsection (a) concerns an existing charter school overseen by a different authorizer than the authorizer to which the organizer is submitting the proposal, the proposal must include written acknowledgement of the proposal from the current authorizer. Additionally, the authorizer receiving the proposal shall consult with the current authorizer before granting approval of the proposal.

~~(e)~~ (f) This section does not waive, limit, or modify the provisions of:

- (1) IC 20-29 in a charter school where the teachers have chosen to organize under IC 20-29; or
- (2) an existing collective bargaining agreement for noncertificated employees (as defined in IC 20-29-2-11)."

Renumber all SECTIONS consecutively.

(Reference is to HB 1382 as reprinted February 3, 2017.)

SMITH V



HOUSE MOTION

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

Page 2, delete lines 22 through 30.

Renumber all SECTIONS consecutively.

(Reference is to HB 1382 as reprinted February 3, 2017.)

SMITH V

