

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 ENROLLED ACT No. 1382

AN ACT to amend the Indiana Code concerning education.

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

SECTION 1. IC 20-24-1-7, AS AMENDED BY P.L.221-2015, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 7. "Organizer" means ~~a group or~~ an entity that:

~~(1) has been determined by the Internal Revenue Service to be operating under nonprofit status or has applied for such determination;~~

(1) is a nonprofit corporation that is incorporated or registered in Indiana;

(2) has been recognized by the Internal Revenue Service to be tax exempt and maintains such tax exempt status; and

~~(2) enters into a contract under this article to operate a charter school; and~~

~~(3) is an independent board of a charter school that is a party to the charter contract with the authorizer, whose members have been elected or selected under the school's application.~~

(3) has an independent board whose members have been elected or selected under the organizer's application and that has entered into a contract under this article to operate a charter school.

SECTION 2. IC 20-24-2.1-2, AS AMENDED BY P.L.280-2013, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

HEA 1382 — CC 1



JULY 1, 2017]: Sec. 2. 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.~~

SECTION 3. IC 20-24-2.2-1, AS AMENDED BY P.L.280-2013, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 1. The department **and each authorizer** shall establish a charter school page on the department's **and the authorizer's** Internet web site that includes information on the following:

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

(A) Monitoring approved schools at regular intervals.

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

(C) Processes and standards for school closure, including the transfer **of all charter school records, including student records, to the department, and** of academic records to other schools and postsecondary educational institutions.

(2) All pending applications for a charter.

(3) All approved applications for a charter.

(4) All rejected applications for a charter.

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

SECTION 4. IC 20-24-2.2-2, AS AMENDED BY P.L.280-2013, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 2. (a) The minimum ~~standards~~ **standard** for renewal and the ~~standards~~ **standard** to avoid closure imposed by authorizers on ~~the a~~ charter school ~~in the charter school agreement~~ **must include** is a requirement that the charter school not remain in the lowest category or designation of school improvement, including any alternative accountability category or designation, in the third year after initial placement in the lowest category or designation established



under IC 20-31-8-4.

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

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

- (1) Enrollment of students with special challenges, such as drug or alcohol addiction, prior withdrawal from school, prior incarceration, or other special circumstances.**
- (2) High mobility of the student population resulting from the specific purpose of the charter school.**
- (3) Annual improvement in the performance of students enrolled in the charter school, as measured by IC 20-31-8-1, compared with the performance of students enrolled in the charter school in the immediately preceding school year.**

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

- (1) Grant the authorizer's request to renew the charter of the charter school. The state board may determine the length of the renewal and any conditions of the renewal placed upon either the charter school or the authorizer.**
- (2) Order the closure of the charter school at the end of the current school year.**
- (3) Order the reduction of any administrative fee collected under IC 20-24-7-4 that is applicable to the charter school identified in subsection (b). The reduction must become effective at the beginning of the month following the month of the authorizer's hearing before the state board.**

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

SECTION 5. IC 20-24-2.2-3 IS REPEALED [EFFECTIVE JULY 1, 2017]. See: 3: (a) After giving at least thirty (30) days notice, the state board 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 as provided in section 2 of this chapter, as posted on the department's Internet web site.



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

- (1) Transfer the authorization of the charter school identified in subsection (a) to another authorizer.
- (2) Order the closure of the charter school identified in subsection (a) at the end of the current school year.
- (3) Order the reduction of any administrative fee collected under IC 20-24-7-4 that is applicable to the charter school identified in subsection (a). The reduction must become effective at the beginning of the month following the month of the authorizer's hearing before the state board.

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

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

- (1) Enrollment of students with special challenges such as drug or alcohol addiction; prior withdrawal from school; prior incarceration; or other special circumstances.
- (2) High mobility of the student population resulting from the specific purpose of the charter school.
- (3) Annual improvement in the performance of students enrolled in the charter school; as measured by IC 20-31-8-1; compared with the performance of students enrolled in the charter school in the immediately preceding school year.

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

SECTION 7. IC 20-24-2.2-5, AS AMENDED BY P.L.233-2015, SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



JULY 1, 2017]: Sec. 5. (a) The purpose of this section is to establish a cooperative relationship:

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

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

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

- (1) Education records (as defined in 20 U.S.C. 1232g(a)(4), as in effect January 1, 2013) of students who enrolled in a charter school authorized by an authorizer that are in the possession of the department or the state board.
- (2) Records in the possession of the department or the state board that relate to the evaluation of the performance of a charter school authorized by an authorizer or students who are enrolled in a charter school authorized by an authorizer.
- (3) Records in the possession of the department or the state board that relate to the evaluation of the performance of certified employees employed by a charter school authorized by an authorizer.
- (4) Records in the possession of the department or the state board related to the evaluation of the performance of an authorizer.

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

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

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

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

~~(d)~~ **(e)** The department shall provide, without charge, an authorizer with a summary of the covered records that relate to a charter school authorized by the authorizer or to the students or certified employees of the charter school. The department shall provide the summary described in this subsection to the authorizer at least once each month. The authorizer may receive either paper copies of the summary or



copies of the summary transmitted electronically, at the option of the authorizer. The summary must be sufficiently detailed to identify each category or collection of covered records. The department and the authorizer shall consult one another as necessary to carry out this section.

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

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

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

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



for-profit ~~organizer~~ entity.

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

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

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

- (1) Evidence of the education service provider's success in serving student populations similar to the targeted populations, including demonstrated academic achievement as well as successful management of nonacademic school functions, if applicable.
- (2) A term sheet setting forth: ~~the:~~
 - (A) ~~the~~ proposed duration of the service contract;
 - (B) ~~the~~ roles and responsibilities of the organizer, the school staff, and the education service provider;
 - (C) ~~the~~ performance evaluation measures and timelines;
 - (D) ~~the~~ compensation structure, including clear identification of all fees to be paid to the education service provider;
 - (E) ~~the~~ methods of contract oversight and enforcement;
 - (F) ~~the~~ investment disclosure; ~~and~~
 - (G) that the school and the authorizer are entitled to any data directly related to the operation or management of the school, such as financial data, enrollment data, demographic data, performance data, and student data, in the possession of the education service provider, but may not include any proprietary, intellectual property, or similarly protected data of the education service provider; and**
 - ~~(G)~~ **(H) the conditions for renewal and termination of the**



contract.

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

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

SECTION 11. 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).

SECTION 12. 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. **(a) Subject to subsection (b)**, 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.**

(b) If an authorizer and an organizer mutually agree in writing



to an extension under subsection (a), the extension may be for not more than fifteen (15) days.

SECTION 13. IC 20-24-3-10, AS AMENDED BY P.L.280-2013, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 10. (a) An authorizer must notify the department of the: ~~following:~~

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

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

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

(A) **Proposals received.**

(B) **Proposals accepted, including the length of time for which a charter is granted.**

(C) **Proposals rejected, including the reasons for the rejection.**

(D) **School goals, educational program design, and the name and address of the education management organization operating the school and the name of the chief operating officer of the education management organization, if applicable.**

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

SECTION 14. IC 20-24-3-11, AS AMENDED BY P.L.280-2013, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 11. If an authorizer rejects a charter school proposal, the organizer may:

- (1) amend the charter school proposal and resubmit the proposal to the same authorizer; **or**
- (2) submit a charter school proposal to another authorizer. **or**
- (3) ~~appeal the decision to the charter school review panel established by section 12 of this chapter.~~

SECTION 15. IC 20-24-3-12 IS REPEALED [EFFECTIVE JULY 1, 2017]. ~~Sec. 12: (a) This section applies if the authorizer rejects a~~



proposal:

(b) The organizer may appeal the decision of the authorizer to the charter school review panel established by subsection (c):

(c) The charter school review panel is established. The members of the panel are as follows:

- (1) The governor or the governor's designee:
- (2) The state superintendent, who shall chair the panel:
- (3) A member of the state board appointed by the state superintendent:
- (4) A person with financial management experience appointed by the governor:
- (5) A community leader with knowledge of charter school issues appointed jointly by the governor and the state superintendent:

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

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

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

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

- (1) A finding that supports the authorizer's rejection of the proposal:
- (2) A finding that:
 - (A) recommends that the organizer amend the proposal; and
 - (B) specifies the changes to be made in the proposal if the organizer elects to amend the proposal:
- (3) A finding that approves the proposal:

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

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

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

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



serve as an authorizer for the proposal approved by the panel:

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

SECTION 16. IC 20-24-3-14, AS AMENDED BY P.L.127-2016, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 14. (a) This section applies to state educational institutions described in IC 20-24-1-2.5(2).

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

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

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

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

SECTION 17. IC 20-24-4-1, AS AMENDED BY P.L.5-2015, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 1. (a) A charter must meet the following requirements:

- (1) Be a written instrument.
- (2) Be executed by an authorizer and an organizer.
- (3) Confer certain rights, franchises, privileges, and obligations on a charter school.
- (4) Confirm the status of a charter school as a public school.
- (5) **Subject to subdivision (6)(E)**, be granted for:
 - (A) not less than three (3) years or more than seven (7) years; and
 - (B) a fixed number of years agreed to by the authorizer and the organizer.
- (6) Provide for the following:
 - (A) A review by the authorizer of the charter school's performance, including the progress of the charter school in achieving the academic goals set forth in the charter, at least one (1) time in each five (5) year period while the charter is in



effect.

(B) Renewal, if the authorizer and the organizer agree to renew the charter.

(C) The renewal application must include guidance from the authorizer, and the guidance must include the performance criteria that will guide the authorizer's renewal decisions.

(D) The renewal application process must, at a minimum, provide an opportunity for the charter school to:

- (i) present additional evidence, beyond the data contained in the performance report, supporting its case for charter renewal;
- (ii) describe improvements undertaken or planned for the charter school; and
- (iii) detail the charter school's plans for the next charter term.

(E) Not later than ~~October 1~~ **in the end of the calendar** year in which the charter school seeks renewal of a charter, the governing board of a charter school seeking renewal shall submit a renewal application to the charter authorizer under the renewal application guidance issued by the authorizer. The authorizer shall make a final ruling on the renewal application not later than ~~March 1~~ **April 1** after the filing of the renewal application. **A renewal granted under this clause is not subject to the three (3) year minimum described in subdivision (5).** The ~~March 1~~ **April 1** deadline does not apply to any review or appeal of a final ruling. After the final ruling is issued, the charter school may obtain further review by the authorizer of the authorizer's final ruling in accordance with the terms of the charter school's charter and the protocols of the authorizer.

(7) Specify the grounds for the authorizer to:

- (A) revoke the charter before the end of the term for which the charter is granted; or
- (B) not renew a charter.

(8) Set forth the methods by which the charter school will be held accountable for achieving the educational mission and goals of the charter school, including the following:

- (A) Evidence of improvement in:
 - (i) assessment measures, including the ISTEP and end of course assessments;
 - (ii) attendance rates;
 - (iii) graduation rates (if appropriate);



- (iv) increased numbers of Core 40 diplomas and other college and career ready indicators including advanced placement participation and passage, dual credit participation and passage, and International Baccalaureate participation and passage (if appropriate);
 - (v) increased numbers of academic honors and technical honors diplomas (if appropriate);
 - (vi) student academic growth;
 - (vii) financial performance and stability; and
 - (viii) governing board performance and stewardship, including compliance with applicable laws, rules and regulations, and charter terms.
- (B) Evidence of progress toward reaching the educational goals set by the organizer.
- (9) Describe the method to be used to monitor the charter school's:
- (A) compliance with applicable law; and
 - (B) performance in meeting targeted educational performance.
- (10) Specify that the authorizer and the organizer may amend the charter during the term of the charter by mutual consent and describe the process for amending the charter.
- (11) Describe specific operating requirements, including all the matters set forth in the application for the charter.
- (12) Specify a date when the charter school will:
- (A) begin school operations; and
 - (B) have students attending the charter school.
- (13) Specify that records of a charter school relating to the school's operation and charter are subject to inspection and copying to the same extent that records of a public school are subject to inspection and copying under IC 5-14-3.
- (14) Specify that records provided by the charter school to the department or authorizer that relate to compliance by the organizer with the terms of the charter or applicable state or federal laws are subject to inspection and copying in accordance with IC 5-14-3.
- (15) Specify that the charter school is subject to the requirements of IC 5-14-1.5.
- (16) This subdivision applies to a charter established or renewed for an adult high school after June 30, 2014. The charter must require:
- (A) that the school will offer flexible scheduling;
 - (B) that students will not complete the majority of instruction



of the school's curriculum online or through remote instruction;

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

(D) a plan:

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

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

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

SECTION 18. 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 school year may continue to attend the charter school in subsequent years;

(2) ensure that a student who attends a charter school during a



school year may continue to attend a different charter school held by the same organizer in subsequent years;

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

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

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

(1) those students who were enrolled in the charter school on the date of the conversion; and

(2) siblings of students described in subdivision (1).

(e) A charter school may give enrollment preference to children of the charter school's founders, governing body members, and charter school employees, as long as the enrollment preference under this subsection is not given to more than ten percent (10%) of the charter school's total population.

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

(1) Disability.

(2) Race.

(3) Color.

(4) Gender.

(5) National origin.

(6) Religion.

(7) Ancestry.

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

SECTION 19. IC 20-24-6-5, AS AMENDED BY P.L.6-2012, SECTION 129, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 5. (a) At least ninety percent (90%) of the individuals who teach full time in a charter school must either:

(1) hold ~~a~~ **any** license **or permit** to teach in a public school in Indiana ~~under described in:~~

(A) IC 20-28-5; or

(B) rules adopted by the state board concerning the



licensing of teachers; or

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

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

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

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

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

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

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

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

(e) (c) An individual who provides to students in a charter school a service:

(1) that is not teaching; and

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

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

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

(1) an authorizer:

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

(B) does not renew a charter; or

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

(b) Any state funds that remain to be distributed to the charter school in the state fiscal year in which an event described in subsection



(a) occurs shall be distributed **to the entities that distributed the funds to the charter school. A distribution under this subsection must be on a pro rata basis.** as follows:

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

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

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

SECTION 21. IC 20-24-7-13, AS AMENDED BY P.L.213-2015, SECTION 160, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 13. (a) As used in this section, "virtual charter school" means any charter school, including a conversion charter school, **that provides for the delivery of more than fifty percent (50%) of instruction to students through:**

(1) virtual distance learning;

(2) online technologies; or

(3) computer based instruction.

in which more than fifty percent (50%) of instruction is provided in an interactive learning environment created through technology in which students are separated from their teacher by time or space, or both.

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

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

(1) the product of:

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

(B) the result of:

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

(ii) twelve (12); plus

(2) the total of any:

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

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

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



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

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

For state fiscal years beginning after June 30, 2013, a virtual charter school is entitled to receive special education grants under IC 20-43-7 calculated in the same manner as special education grants are calculated for other school corporations.

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

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

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

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

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

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

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

SECTION 22. 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 **federal and state** 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 any corrective action that the authorizer considers necessary to correct the deficiency; or

(2) revoke the school's charter.

SECTION 23. IC 20-24-9-4.5, AS ADDED BY P.L.280-2013, SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 4.5. (a) Before any charter school closure decision, an authorizer shall develop a charter school closure protocol to ensure timely notification to parents, orderly transition of:

(1) all charter school records, including student records, to the department; and

(2) students and student records to new schools;
and proper disposition of school funds, property, and assets.

(b) If a charter school closes for any reason, the authorizer shall oversee and work with the closing charter school to ensure a smooth and orderly closure and transition for students and parents, as guided by the closure protocol.

SECTION 24. IC 20-24-9-4.6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: **Sec. 4.6. In addition to the transfer of student records to new schools as described in section 4.5(a)(2) of this chapter, if a charter school closes for any reason, the organizer shall ensure the transfer of all charter school records, including student records, to the department.**

SECTION 25. IC 20-25.7-5-2, AS AMENDED BY P.L.179-2016, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 2. (a) ~~Notwithstanding IC 20-26-7-1,~~ The board may enter into an agreement with an organizer to reconstitute an eligible school 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. Notwithstanding IC 20-26-7-1, a participating**



innovation network charter school may be established within a vacant ~~underutilized, or underenrolled~~ school building. ~~as determined by the board.~~

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

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

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

(3) The performance goals and accountability metrics agreed upon for the charter school in the charter agreement between the organizer and the authorizer.

(c) If an organizer and the board enter into an agreement under subsection (a), the organizer and the board shall notify the department that the agreement has been made under this section within thirty (30) days after the agreement is entered into.

(d) Upon receipt of the notification under subsection (c), for school years starting after the date of the agreement:

(1) the department shall include the participating innovation network charter school's performance assessment results under IC 20-31-8 when calculating the school corporation's performance assessment under rules adopted by the state board;

(2) the department shall treat the participating innovation network charter school in the same manner as a school operated by the school corporation when calculating the total amount of state funding to be distributed to the school corporation; and

(3) if requested by a participating innovation network charter school that reconstitutes an eligible school, the department may use student growth as the state board's exclusive means to determine the innovation network charter school's category or designation of school improvement under 511 IAC 6.2-10-10 for a period of three (3) years.

SECTION 26. IC 20-25.7-5-5, AS ADDED BY P.L.179-2016, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 5. (a) IC 20-24-5-5 (with the exception of IC 20-24-5-5(f)) does not apply to a participating innovation network charter school that enters into an agreement with the board to reconstitute or establish an eligible school. ~~with a defined attendance area.~~



(b) Except as provided in ~~subsection~~ **subsections (c) and (d)**, a participating innovation network charter school must enroll any eligible student who submits a timely application for enrollment.

(c) A participating innovation network charter school that reconstitutes or establishes an eligible school ~~with a defined attendance area~~ may limit new admissions to the participating innovation network charter school to:

- (1) ensure that any student with legal settlement in the attendance area, **or in the school corporation if the school does not have a defined attendance area**, may attend the charter school;
- (2) ensure that a student who attends the participating innovation network charter school during a school year may continue to attend the charter school in subsequent years;
- (3) allow the siblings of a student who attends the participating innovation network charter school to attend the charter school; and
- (4) allow preschool students who attend a Level 3 or Level 4 Paths to QUALITY program (as defined in IC 12-17.2-3.8-1) preschool to attend kindergarten at the participating innovation network charter school if the participating innovation network charter school and the school corporation or preschool provider have entered into an agreement to share services or facilities.

(d) A participating innovation network charter school with a curriculum that includes study in a foreign country may deny admission to a student if:

- (1) the student:**
 - (A) has completed fewer than twenty-two (22) academic credits required for graduation; and**
 - (B) will be in the grade 11 cohort during the school year in which the student seeks to enroll in the participating innovation network charter school; or**
- (2) the student has been suspended (as defined in IC 20-33-8-7) or expelled (as defined in IC 20-33-8-3) during the twelve (12) months immediately preceding the student's application for enrollment for:**
 - (A) ten (10) or more school days;**
 - (B) a violation under IC 20-33-8-16;**
 - (C) causing physical injury to a student, a school employee, or a visitor to the school; or**
 - (D) a violation of a school corporation's drug or alcohol rules.**

For purposes of subdivision (2)(A), student discipline received



under IC 20-33-8-25(b)(7) for a violation described in subdivision (2)(B) through (2)(D) must be included in the calculation of the number of school days that a student has been suspended.

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

~~(e)~~ (f) 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 participating innovation network 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 participating innovation network charter school **that is not in a county containing a consolidated city** must determine which of the applicants will be admitted to the participating innovation network 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 participating innovation network charter school located in a county with a consolidated city shall determine which of the applicants will be admitted to the participating innovation network charter school or the program, class, grade level, or building by using a publicly verifiable random selection process.**

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

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

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

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

(c) The fund consists of the following:

(1) Appropriations made by the general assembly.

(2) Gifts, grants, or donations.

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



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

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

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

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

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

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

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

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

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

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

SECTION 30. IC 20-26-11-32, AS AMENDED BY SEA 108-2017, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 32. (a) This section does not apply to a school



corporation if the governing body has adopted a policy of not accepting the transfer of any student who does not have legal settlement within the school corporation.

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

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

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

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

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

(2) report the date to the department.

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

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

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

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

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

(1) is a member of a household in which any other member of the household is a student in the transferee school; or



(2) has a parent who is an employee of the school corporation.

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

(1) to ensure that a student who attends a school within the school corporation as a transfer student during a school year may continue to attend the school in subsequent school years; and

(2) to allow a student described in subsection (h) to attend a school within the school corporation.

(j) Notwithstanding subsections (f), (g), and (h), a governing body of a school corporation may deny a request for a student to transfer to the school corporation or may discontinue enrollment currently or in a subsequent school year, or establish terms or conditions for enrollment or for continued enrollment in a subsequent school year, if:

(1) the student has been suspended (as defined in IC 20-33-8-7) or expelled (as defined in IC 20-33-8-3) during the twelve (12) months preceding the student's request to transfer under this section:

(A) for ten (10) or more school days;

(B) for a violation under IC 20-33-8-16;

(C) for causing physical injury to a student, a school employee, or a visitor to the school; or

(D) for a violation of a school corporation's drug or alcohol rules; or

(2) the student has had a history of unexcused absences and the governing body of the school corporation believes that, based upon the location of the student's residence, attendance would be a problem for the student if the student is enrolled with the school corporation.

For purposes of subdivision (1)(A), student discipline received under IC 20-33-8-25(b)(7) for a violation described in subdivision (1)(B) through (1)(D) shall be included in the calculation of the number of school days that a student has been suspended.

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

(l) The parent of a student for whom a request to transfer is made is responsible for providing the school corporation to which the request is made with records or information necessary for the school corporation to determine whether the request to transfer may be denied



under subsection (j).

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

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

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

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

SECTION 31. IC 20-31-4-1.1, AS ADDED BY P.L.169-2016, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 1.1. ~~Other than sections 1, 2, 3, 4, and 17 of this chapter, this chapter does not apply to a~~ **(a) The state board shall accredit a school that:**

- (1) becomes a charter school under IC 20-24; and**
- (2) complies with the requirements under IC 20-24.**

(b) An authorizer (as defined in IC 20-24-1-2.5) of a charter school is responsible for ensuring that the charter school is in compliance with applicable legal standards as determined by the state board.

(c) This chapter, with the exception of this section, does not apply to a charter school.



Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Governor of the State of Indiana

Date: _____ Time: _____

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