

HOUSE BILL No. 1547

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-19-2-10; IC 20-26; IC 20-51-4.

Synopsis: Nonpublic schools; school corporation audits. Provides that the state board of education (state board) may accredit a nonpublic school that has: (1) received provisional or candidate accreditation from a nationally or regionally recognized accrediting body recognized by the state board; or (2) demonstrated to the state board the nonpublic school's accomplishments based on the nonpublic school's performance in another state. Provides that the state board may: (1) authorize a school participating in the choice scholarship program or that receives contributions from a scholarship granting organization to sponsor another nonpublic school that has demonstrated to the state board the nonpublic school's competency or accomplishments; and (2) accredit or provisionally accredit the nonpublic school. Provides that the state board may accredit a nonpublic school that enters into a contract with the state board to become a freeway school at the time the nonpublic school enters the contract. Allows the state board to delay certain consequences for an eligible school (under the choice scholarship provisions) that demonstrates that, despite remaining in either of the lowest two categories or designations of school performance, a majority of students in the eligible school demonstrated academic improvement during the preceding school year. Allows a school corporation to contract with a certified public accountant for an annual audit. Provides that a school eligible for participation in the choice scholarship program shall submit to the department of education (department) a report showing how money received during the preceding fiscal year from each choice scholarship student has been used by the school. Requires the department to post a copy of each report it receives on its

(Continued next page)

Effective: July 1, 2017.

Carbaugh

January 23, 2017, read first time and referred to Committee on Education.



Digest Continued

Internet web site. Requires a school eligible for participation in the choice scholarship program to post a copy of each report that the eligible school submits on its Internet web site. Makes technical corrections.



Introduced

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. 1547

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 20-19-2-10, AS AMENDED BY P.L.65-2012,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2017]: Sec. 10. (a) It is the policy of the state that the state:
4 (1) recognizes that nonpublic schools provide education to
5 children in Indiana;
6 (2) has an interest in ensuring that all Indiana children are well
7 educated in both curricular and extracurricular programs; and
8 (3) should facilitate the transferability of comparable academic
9 credit between appropriate nonpublic schools and state supported
10 educational institutions.
11 (b) The state board shall implement a system of recognition of the
12 educational programs of nonpublic schools to fulfill the policy set forth
13 in subsection (a).
14 (c) The system of recognition described under subsection (b) must:
15 (1) be voluntary in nature with respect to the nonpublic school;

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- 1 (2) recognize the characteristics that distinguish nonpublic
 2 schools from public schools; and
 3 (3) be a recognition system that is separate from the accreditation
 4 standards required of public schools and available to nonpublic
 5 schools under section ~~8(a)(5)~~ **8(a)(4)** of this chapter.
- 6 (d) This section does not prohibit a nonpublic school from seeking
 7 accreditation under section ~~8(a)(5)~~ **8(a)(4)** of this chapter.
- 8 ~~(e) The state board shall adopt rules under IC 4-22-2 to implement~~
 9 ~~this section.~~
- 10 ~~(f)~~ **(e)** The department shall waive accreditation standards for an
 11 accredited nonpublic alternative school that enters into a contract with
 12 a school corporation to provide alternative education services for
 13 students who have:
 14 (1) dropped out of high school;
 15 (2) been expelled; or
 16 (3) been sent to the nonpublic alternative school due to the
 17 students' lack of success in the public school environment;
 18 to accommodate the nonpublic alternative school's program and student
 19 population. A nonpublic alternative school to which this subsection
 20 applies is not subject to being placed in a category or designation under
 21 IC 20-31-8-4. However, the nonpublic alternative school must comply
 22 with all state reporting requirements and submit a school improvement
 23 growth model on the anniversary date of the nonpublic alternative
 24 school's original accreditation.
- 25 **(f) The state board may accredit a nonpublic school that has:**
 26 **(1) received provisional or candidate accreditation from a**
 27 **nationally or regionally recognized accrediting body**
 28 **recognized by the state board; or**
 29 **(2) demonstrated to the state board the nonpublic school's**
 30 **accomplishments based on the nonpublic school's**
 31 **performance in another state.**
- 32 **The state board may accredit a nonpublic school under this**
 33 **subsection at the time the nonpublic school begins operation in**
 34 **Indiana.**
- 35 **(g) The state board may authorize a school described in**
 36 **IC 20-51-1-4.7 and IC 20-51-1-6 to sponsor another nonpublic**
 37 **school that has demonstrated to the state board the nonpublic**
 38 **school's competency or accomplishments. The state board may**
 39 **accredit or provisionally accredit a nonpublic school sponsored**
 40 **under this subsection.**
- 41 **(h) The state board shall adopt rules under IC 4-22-2 to**
 42 **implement this section.**



1 SECTION 2. IC 20-26-5-38 IS ADDED TO THE INDIANA CODE
 2 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 3 1, 2017]: **Sec. 38. (a) Notwithstanding any other law, the governing**
 4 **body of a school corporation may contract with a certified public**
 5 **accountant for an annual financial audit of the school corporation**
 6 **subject to any rules adopted by the governing body under**
 7 **IC 5-22-6-2. The certified public accountant may not have a**
 8 **significant financial interest, as determined by the governing body,**
 9 **in a vendor or retailer with whom the school corporation is under**
 10 **contract. The certified public accountant shall present an audit**
 11 **report and may make recommendations to improve the efficiency**
 12 **of the school corporation's operations. The certified public**
 13 **accountant shall perform a study and evaluation of internal**
 14 **accounting controls and shall express an opinion on the controls**
 15 **that were in effect during the audit period. The school corporation**
 16 **shall pay the cost of the annual financial audit.**

17 **(b) The state board of accounts shall receive a copy of any**
 18 **independent financial audit under this section.**

19 SECTION 3. IC 20-26-11-31, AS ADDED BY P.L.65-2012,
 20 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 JULY 1, 2017]: Sec. 31. (a) This section applies to a school corporation
 22 that enrolls a student who has legal settlement in another school
 23 corporation for the purpose of the student receiving services from an
 24 accredited nonpublic alternative high school described in
 25 ~~IC 20-19-2-10(f).~~ **IC 20-19-2-10(e).**

26 (b) A school corporation is entitled to receive state tuition support
 27 for a student described in subsection (a) in an amount equal to:

- 28 (1) the amount received by the school corporation in which the
- 29 student is enrolled for ADM purposes; or
- 30 (2) the amount received by the school corporation in which the
- 31 student has legal settlement;

32 whichever is greater.

33 SECTION 4. IC 20-26-15-13, AS ADDED BY P.L.1-2005,
 34 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 35 JULY 1, 2017]: Sec. 13. (a) A nonpublic school may enter into a
 36 contract with the state board to become a freeway school.

37 (b) The state board and the governing body of a nonpublic school
 38 must enter into a contract that complies with this chapter to designate
 39 the nonpublic school as a freeway school if the nonpublic school:

- 40 (1) petitions the state board for designation as a freeway school;
- 41 and
- 42 (2) agrees to comply with this chapter.



1 (c) A nonpublic school becomes a freeway school when the contract
2 is signed by:

3 (1) the state superintendent, acting for the state board after a
4 majority of the members of the board have voted in a public
5 session to enter into the contract; and

6 (2) the president of the governing body of the nonpublic school,
7 acting for the governing body of the nonpublic school after a
8 majority of the members of the governing body have voted to
9 enter into the contract.

10 (d) The state board shall accredit a nonpublic school that:

11 (1) becomes a freeway school under this chapter; and

12 (2) complies with the terms of the contract.

13 **(e) The state board may accredit a nonpublic school under this**
14 **section at the time the nonpublic school enters into the contract**
15 **under subsection (a).**

16 SECTION 5. IC 20-51-4-2.5, AS ADDED BY P.L.211-2013,
17 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
18 JULY 1, 2017]: Sec. 2.5. Notwithstanding IC 20-51-1-4.3(3)(B),
19 IC 20-51-1-4.3(3)(C), or IC 20-51-1-4.3(3)(D)(ii), an individual who
20 initially meets the income requirements under IC 20-51-1-4.3(3)(B),
21 IC 20-51-1-4.3(3)(C), or IC 20-51-1-4.3(3)(D)(ii) and is a member of
22 a household whose income subsequently increases is considered to
23 meet the income requirements for as long as the individual is enrolled
24 in a ~~participating~~ **an eligible** school and is a member of a household
25 with an annual income of not more than two hundred percent (200%)
26 of the amount required for the individual to qualify for the federal free
27 or reduced price lunch program.

28 SECTION 6. IC 20-51-4-9, AS ADDED BY P.L.92-2011,
29 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
30 JULY 1, 2017]: Sec. 9. (a) **Except as provided in subsection (c)**, the
31 department shall enforce the following consequences for an eligible
32 school that is nonpublic:

33 (1) If the school is placed in either of the lowest two (2)
34 categories or designations under IC 20-31-8-3 for two (2)
35 consecutive years, the department shall suspend choice
36 scholarship payments for one (1) year for new students who
37 would otherwise use a choice scholarship to attend the school.

38 (2) If the school is placed in either of the lowest two (2)
39 categories or designations under IC 20-31-8-3 for three (3)
40 consecutive years, the department shall suspend choice
41 scholarship payments for new students who would otherwise use
42 a choice scholarship to attend the school until the school is placed



- 1 in the middle category or higher category or designation, for two
 2 (2) consecutive years.
- 3 (3) If the school is placed in the lowest category or designation
 4 under IC 20-31-8-3 for three (3) consecutive years, the
 5 department shall suspend choice scholarship payments for new
 6 students who would otherwise use a choice scholarship to attend
 7 the school until the school is placed in the middle category or
 8 higher category or designation, for three (3) consecutive years.
- 9 (4) Students who:
- 10 (A) are currently enrolled at a school described in subdivision
 11 (1), (2), or (3); and
- 12 (B) qualify for a choice scholarship for the upcoming school
 13 year;
 14 may continue to receive a choice scholarship at the school.
- 15 (b) This section may not be construed to prevent a student enrolled
 16 in a school subject to this section from applying for a choice
 17 scholarship in the future at another ~~participating~~ **eligible** school.
- 18 **(c) The state board may delay for one (1) year imposition of**
 19 **consequences under this section on an eligible school described in**
 20 **subsection (a) if the eligible school demonstrates that, despite**
 21 **remaining in either of the lowest two (2) categories or designations**
 22 **under IC 20-31-8-3, a majority of students in the eligible school**
 23 **demonstrated academic improvement during the preceding school**
 24 **year.**
- 25 SECTION 7. IC 20-51-4-12 IS ADDED TO THE INDIANA CODE
 26 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 27 1, 2017]: **Sec. 12. (a) Not later than August 1, 2018, and each**
 28 **August 1 thereafter, each eligible school shall submit a report to**
 29 **the department on a form prescribed by the department, subject**
 30 **to the state board's approval, showing how money received from**
 31 **choice scholarship students was used by the eligible school.**
- 32 (b) The department shall post a copy of each report it receives
 33 under this section on the department's Internet web site. An
 34 eligible school shall post a copy of each report that the eligible
 35 school submits to the department under this section on the eligible
 36 school's Internet web site.
- 37 (c) Except as provided in subsection (a) and section 1 of this
 38 chapter or otherwise provided by law, the state shall not collect
 39 information regarding an eligible school's other revenue sources or
 40 an eligible school's non-school activities or programs.

