



April 12, 2019

ENGROSSED

HOUSE BILL No. 1641

DIGEST OF HB 1641 (Updated April 10, 2019 6:10 pm - DI 110)

Citations Affected: IC 20-18; IC 20-23; IC 20-24; IC 20-25; IC 20-25.7; IC 20-26; IC 20-27; IC 20-31; IC 20-35; IC 36-1; noncode.

Synopsis: Charter school matters. Increases the membership of the Indiana charter school board (board) from seven to nine. Authorizes the governor to appoint four members to the board, not more than two of whom may be members of the same political party. (Under current law, the governor appoints two members who may not be members of the same political party.) Provides that the affirmative votes of a majority of the members present are required for the board to take action as opposed to the affirmative votes of a majority of the voting members appointed to the board. Adds a representative from the Arc of Indiana to the list of members who must be included on the state advisory council on the education of children with disabilities. Allows a charter school to limit admissions to allow siblings of student alumni of a charter school or a charter school held by the same organizer to attend the same charter school. Provides that a student who attends a charter school co-located with the charter school may receive preference to admission to the charter school if the preference is specifically
(Continued next page)

Effective: Upon passage; July 1, 2019.

Behning, Clere

(SENATE SPONSORS — KRUSE, BUCHANAN, RAATZ)

January 24, 2019, read first time and referred to Committee on Education.
February 11, 2019, amended, reported — Do Pass.
February 14, 2019, read second time, amended, ordered engrossed.
February 15, 2019, engrossed.
February 18, 2019, read third time, passed. Yeas 58, nays 34.

SENATE ACTION

March 5, 2019, read first time and referred to Committee on Education and Career Development.
April 11, 2019, amended, reported favorably — Do Pass.

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Digest Continued

provided for in the charter school's charter and is approved by the charter school's authorizer. Adds educational service centers to a provision relating to employee wage payment arrangements. Provides that the governing body of a school corporation may allow, by written authorization, the use of a school bus or a special purpose bus for the transportation of adults at least 65 years of age or disabled adults. Reduces the time frame that a school corporation must make a vacant or unused school building available to a charter school. Provides that, if a school corporation does not comply with the requirements regarding a vacant or unused school building and charter schools, the school corporation must submit any proceeds from the sale of the vacant or unused school building to the state board of education (state board) to provide grants under the charter school and innovation grant program. Requires a school corporation to sell certain vacant school buildings to an accredited nonpublic school or postsecondary educational institution for an amount not more than the minimum bid for the school building or an amount agreed to by both parties. Provides that, in determining whether to accept a proposal to purchase and redevelop a school building that has a square footage that exceeds 200,000 gross square feet and any adjacent property, the governing body must ensure that a charter school that has notified the governing body in writing of its interest in locating the charter school on the redeveloped site is provided adequate facilities on the redeveloped site. Provides that, if the state board directs a special management team to apply for charter school status for a school, the state board shall notify the charter school authorizer selected for application by the special management team of the state board's decision to direct the school to apply for charter status. Establishes a pilot program whereby a specific township can elect to disannex from an existing school corporation and annex to another existing school corporation.

EH 1641—LS 7242/DI 116



April 12, 2019

First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1641

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 20-18-2-16, AS AMENDED BY P.L.190-2018,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 16. (a) "School corporation", for purposes of
4 this title (except IC 20-20-33, IC 20-26-1 through IC 20-26-5,
5 IC 20-26-7, **IC 20-26-7.1**, IC 20-28-11.5, IC 20-30-8, IC 20-30-16, and
6 IC 20-43), means a public school corporation established by Indiana
7 law. The term includes a:
8 (1) school city;
9 (2) school town;
10 (3) consolidated school corporation;
11 (4) metropolitan school district;
12 (5) township school corporation;
13 (6) county school corporation;
14 (7) united school corporation; or
15 (8) community school corporation.

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1 (b) "School corporation", for purposes of IC 20-26-1 through
 2 IC 20-26-5, ~~and IC 20-26-7~~, **and IC 20-26-7.1**, has the meaning set
 3 forth in IC 20-26-2-4.

4 (c) "School corporation", for purposes of IC 20-20-33, IC 20-26.5,
 5 and IC 20-30-8, includes a charter school (as defined in IC 20-24-1-4).

6 (d) "School corporation", for purposes of IC 20-43, has the meaning
 7 set forth in IC 20-43-1-23.

8 (e) "School corporation", for purposes of IC 20-28-11.5, has the
 9 meaning set forth in IC 20-28-11.5-3.

10 (f) "School corporation", for purposes of IC 20-35, has the meaning
 11 set forth in IC 20-35-1-6.

12 (g) "School corporation", for purposes of IC 20-30-16, has the
 13 meaning set forth in IC 20-30-16-4.

14 SECTION 2. IC 20-23-5.5 IS ADDED TO THE INDIANA CODE
 15 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 16 JULY 1, 2019]:

17 **Chapter 5.5. Pilot Program for Annexation and Disannexation**
 18 **of a Township**

19 **Sec. 0.5. (a) A two (2) year pilot program is established to**
 20 **monitor, measure, and gather data concerning the financial**
 21 **impacts, including on transportation costs, of the disannexation of**
 22 **a territory from a relinquishing school corporation to an acquiring**
 23 **school corporation. The state board shall administer the pilot**
 24 **program.**

25 **(b) A disannexation under the pilot program may be initiated**
 26 **under section 9(a)(2) of this chapter only by the fiscal body and**
 27 **township executive of Greene Township, in St. Joseph County.**

28 **Sec. 1. (a) A disannexation may not occur under the pilot**
 29 **program if any of the following apply on the date a resolution is**
 30 **adopted under section 9 of this chapter:**

31 **(1) A building is located within the territory proposed to be**
 32 **disannexed that is being used as a school by the relinquishing**
 33 **school corporation.**

34 **(2) A building is located within the territory proposed to be**
 35 **disannexed on which there is bond indebtedness owed by the**
 36 **relinquishing school corporation.**

37 **(3) A building is located within the territory proposed to be**
 38 **disannexed that is the subject of a lease entered into by the**
 39 **relinquishing school corporation before April 15, 2019, to**
 40 **allow the relinquishing school corporation to use the building**
 41 **as a school.**

42 **(b) This chapter does not limit the ability of a school**



1 corporation to proceed in an annexation under IC 20-23-5.

2 Sec. 2. As used in this chapter, "acquiring school corporation"
3 means a school corporation that acquires territory as a result of
4 disannexation under the pilot program established by section 0.5
5 of this chapter.

6 Sec. 3. As used in this chapter, "annex", "annexing",
7 "annexation", and "school annexation" mean any action whereby
8 the boundaries of an acquiring school corporation are changed so
9 that additional territory, constituting all or part of any one (1) or
10 more relinquishing school corporations, is transferred to the
11 acquiring school corporation under the pilot program established
12 by section 0.5 of this chapter.

13 Sec. 4. As used in this chapter, "disannex", "disannexing",
14 "disannexation", and "school disannexation" mean any action
15 whereby:

16 (1) the boundaries of a school corporation are changed by
17 removing territory from a relinquishing school corporation;
18 and

19 (2) the territory is transferred to an acquiring school
20 corporation by annexation;

21 under the pilot program established by section 0.5 of this chapter.

22 Sec. 5. As used in this chapter, "relinquishing school
23 corporation" means a school corporation that relinquishes
24 territory to an acquiring school corporation by disannexation
25 under the pilot program established by section 0.5 of this chapter.

26 Sec. 6. As used in this chapter, "school corporation" has the
27 meaning set forth in IC 20-18-2-16(a).

28 Sec. 7. As used in this chapter, "territory" means the entire
29 territory of a township.

30 Sec. 8. Except as provided in section 1 of this chapter, territory
31 may be disannexed from a school corporation under the pilot
32 program established by section 0.5 of this chapter.

33 Sec. 9. (a) Subject to approval of a plan described in subsection
34 (c), a disannexation may be initiated by the adoption of a
35 substantially identical disannexation resolution by:

36 (1) an acquiring school corporation's governing body; and
37 (2) the fiscal body of the township that is to be disannexed,
38 with approval of the township executive.

39 (b) The resolution described in subsection (a) must contain the
40 following items:

41 (1) The name of the school corporation from which the
42 territory is to be disannexed.



1 (2) A description of the territory to be disannexed.

2 (3) The name of the acquiring school corporation.

3 (4) The date the disannexation takes place.

4 (5) Any terms and conditions facilitating education of students
5 in the acquiring school corporation.

6 (c) Subject to section 14 of this chapter, the resolution must be
7 supported by a plan for the organization of the acquiring school
8 corporation that includes the following information:

9 (1) The willingness and ability of the acquiring school
10 corporation to accommodate and provide efficient and
11 equitable educational opportunity to students from the
12 territory.

13 (2) Proposed disposition of assets and liabilities of the
14 relinquishing school corporation to the acquiring school
15 corporation.

16 (3) Proposed allocation between the acquiring and
17 relinquishing school corporations of subsequently collected
18 school taxes levied on property in the annexed territory.

19 (4) Proposed amount, if any, to be paid by the acquiring
20 school corporation to the relinquishing school corporation on
21 account of property received from the relinquishing school
22 corporation.

23 (5) Additional information as required by the state board.

24 Dispositions, allocations, and amounts transferred under this
25 subsection must be equitable, as determined by the state board.
26 Dispositions, allocations, and amounts transferred shall be
27 considered equitable if the plan is approved by the state board
28 under section 10(a)(4) of this chapter.

29 (d) After adoption of the resolution:

30 (1) the resolution; and

31 (2) the plan for the organization of the acquiring school
32 corporation;

33 must be filed with the state board.

34 Sec. 10. (a) The state board shall:

35 (1) receive and examine each resolution and plan submitted
36 under section 9 of this chapter and approve each plan that
37 meets the standards of the state board;

38 (2) adopt a set of minimum considerations for a plan that
39 include:

40 (A) ensuring efficient and equitable educational
41 opportunities for all students of the acquiring school
42 corporation and relinquishing school corporation;



- 1 **(B) the positive and negative effects on the acquiring and**
 2 **relinquishing school corporations;**
 3 **(C) the economic interests of the acquiring and**
 4 **relinquishing school corporations related to changing the**
 5 **boundaries of the school corporations; and**
 6 **(D) a determination of whether the disannexation is**
 7 **prohibited under section 1 of this chapter;**
 8 **(3) not later than ninety (90) days after receipt of a plan, hold**
 9 **a public hearing in the county in which the largest part of the**
 10 **territory to be disannexed is located to allow residents of the**
 11 **affected territory to testify; and**
 12 **(4) not later than sixty (60) days after the public hearing:**
 13 **(A) approve or disapprove in writing all or part of the**
 14 **plan; and**
 15 **(B) notify in writing, by certified mail with return receipt**
 16 **requested, the acquiring school corporation, the**
 17 **relinquishing school corporation, and the fiscal body of the**
 18 **township.**
- 19 **(b) The state board is not required to hold a public hearing on**
 20 **a plan that does not meet the minimum considerations required by**
 21 **the state board. If the state board determines a plan does not meet**
 22 **the minimum considerations required, the state board shall notify**
 23 **in writing, by certified mail with return receipt requested, the**
 24 **acquiring school corporation and the fiscal body of the township.**
- 25 **Sec. 11. (a) If the state board approves the plan under section**
 26 **10(a)(4) of this chapter, the acquiring school corporation and fiscal**
 27 **body of the township proposed to be disannexed may:**
 28 **(1) within sixty (60) days of the state board approval of the**
 29 **plan, file a petition in favor of the proposed disannexation of**
 30 **the territory (including the name of the territory) from the**
 31 **relinquishing school corporation (including the name of the**
 32 **relinquishing school corporation) to the acquiring school**
 33 **corporation (including the name of the acquiring school**
 34 **corporation) that is signed by at least fifty-one percent (51%)**
 35 **of the registered voters residing in the territory proposed to**
 36 **be disannexed with the clerk of the circuit court of the county**
 37 **or counties in which the territory proposed to be disannexed**
 38 **is located under section 12 of this chapter; or**
 39 **(2) after approval of the plan, request that the state board**
 40 **certify the approved plan to the clerk of the circuit court of**
 41 **the county or counties in which the territory proposed to be**
 42 **disannexed is located under section 13 of this chapter. The**



1 state board shall certify the approved plan to the clerk of the
 2 circuit court of the county or counties in which the territory
 3 proposed to be disannexed is located under section 13 of this
 4 chapter.

5 (b) If a petition described in subsection (a)(1) is not filed within
 6 sixty (60) days of the state board approval of the plan and a request
 7 for certification under subsection (a)(2) has not already been made,
 8 the state board shall certify the approved plan to the clerk of the
 9 circuit court of the county or counties in which the territory
 10 proposed to be disannexed is located under section 13 of this
 11 chapter.

12 Sec. 12. (a) If a petition described in section 11(a)(1) of this
 13 chapter is filed with the clerk of the circuit court of the county or
 14 counties in which the territory proposed to be disannexed is
 15 located, the clerk of the circuit court shall make a certification
 16 under the clerk's hand and seal of the clerk's office as to whether
 17 the petition is signed by at least fifty-one percent (51%) of the
 18 registered voters residing in the territory proposed to be
 19 disannexed.

20 (b) If the clerk of the circuit court certifies under subsection (a)
 21 that the petition is signed by at least fifty-one percent (51%) of the
 22 registered voters residing in the territory proposed to be
 23 disannexed, the state board shall:

24 (1) immediately cause notice of the result to be published in
 25 the county or counties where the disannexation will take
 26 place; and

27 (2) declare the disannexation final and approve the
 28 annexation of the territory to the acquiring school
 29 corporation by adopting a resolution to that effect.

30 (c) Notice of the adoption of a resolution under subsection (b)(2)
 31 must be published at least once in one (1) newspaper of general
 32 circulation published in the county or counties where the
 33 disannexation will take place.

34 Sec. 13. (a) If a petition is not filed as described in section
 35 11(a)(1) of this chapter, or following a request described in section
 36 11(a)(2) of this chapter, the state board shall certify the approved
 37 plan to the clerk of the circuit court of the county or counties in
 38 which the territory proposed to be disannexed is located.

39 (b) After receiving a certified plan under subsection (a), the
 40 clerk of the circuit court shall make a certification under the
 41 clerk's hand and seal of the clerk's office as to:

42 (1) the number of registered voters residing in:



- 1 (A) the territory proposed to be disannexed; or
 2 (B) the part of the territory proposed to be disannexed that
 3 is located in the county, as disclosed by the voter
 4 registration records of the county; and
 5 (2) the date of the filing of the plan with the clerk.
 6 **If a territory proposed to be disannexed includes only part of a**
 7 **voting precinct, the clerk of the circuit court shall ascertain, from**
 8 **any means available, the number of registered voters residing in**
 9 **the part of the voting precinct that is within the territory proposed**
 10 **to be disannexed.**
 11 **(c) The clerk of the circuit court shall do the following:**
 12 **(1) Certify to the county election board the public question of**
 13 **whether the disannexation should take place.**
 14 **(2) Order the county election board to place the following**
 15 **question on the ballot in the territory of the proposed**
 16 **disannexation:**
 17 **"Shall _____ (insert the name of the territory) be**
 18 **transferred from _____ (insert the relinquishing**
 19 **school corporation) to _____ (insert the acquiring**
 20 **school corporation)?"**.
 21 **(d) The county election board shall place the question set forth**
 22 **in subsection (c)(2) on the ballot for the next primary election or**
 23 **general election under IC 3-10-9 as a local public question.**
 24 **(e) The county election board, under IC 5-3-1, shall give notice**
 25 **of the public question on the ballot at the primary election or**
 26 **general election. The notice must:**
 27 **(1) clearly state that the election is being held to provide the**
 28 **registered voters an opportunity to approve or reject a**
 29 **proposal for the disannexation of territory from an existing**
 30 **school corporation;**
 31 **(2) state the name of the existing school corporation to which**
 32 **the territory is proposed to be annexed; and**
 33 **(3) designate the date, time, and voting place or places at**
 34 **which the election will be held.**
 35 **(f) The county election board shall place the public question on**
 36 **the ballot in the form prescribed by IC 3-10-9-4. Except as**
 37 **otherwise provided in this chapter, the election is governed by IC 3.**
 38 **(g) The certified result of the local public question shall be filed**
 39 **with the state board.**
 40 **(h) If the majority of the voters voting in an election under this**
 41 **section vote "yes" on the question of disannexation, the state board**
 42 **shall:**



1 (1) immediately cause notice of the result to be published in
 2 the county or counties where the disannexation will take
 3 place; and

4 (2) declare the disannexation final and approve the
 5 annexation of the territory to the acquiring school
 6 corporation by adopting a resolution to that effect.

7 (i) Notice of the adoption of a resolution under subsection (h)(2)
 8 must be published at least once in one (1) newspaper of general
 9 circulation published in the county or counties where the
 10 disannexation will take place.

11 Sec. 14. (a) A disannexation and annexation to an acquiring
 12 school corporation under section 12 or 13 of this chapter take
 13 effect on the July 1 following the date of the publication of the
 14 notice in section 12(c) or 13(i) of this chapter by the state board,
 15 except that the disannexed territory is considered part of the
 16 acquiring school corporation for purposes of determining budgets,
 17 property tax rates, and property tax levies beginning with the
 18 acquiring school corporation's budget year beginning on the
 19 January 1 immediately following the July 1 effective date of the
 20 disannexation.

21 (b) Except as provided in subsection (c), the relinquishing school
 22 corporation and taxpayers of the disannexed territory remain
 23 liable for any indebtedness of the relinquishing school corporation
 24 in effect on the date the disannexation is effective under this
 25 chapter. The amount of outstanding indebtedness for which
 26 taxpayers of the disannexed territory that has been transferred
 27 remain liable under this section consists of the portion of
 28 indebtedness that is in the same proportion as the assessed
 29 valuation of the real property in the disannexed territory bears to
 30 the assessed valuation of all the real property in the relinquishing
 31 school corporation, as determined for the last assessment date
 32 before the disannexation occurs. The department of local
 33 government finance shall determine the amount, if any, of
 34 outstanding indebtedness for which taxpayers of the disannexed
 35 territory that has been transferred remain liable under this section.
 36 The disannexed territory constitutes a special taxing district for
 37 only the purposes of imposing and collecting a property tax levy for
 38 payment of the amount of the disannexed territory's portion of the
 39 outstanding indebtedness. The relinquishing school corporation
 40 shall each year impose and collect the property tax levy in the
 41 disannexed territory in an amount determined by the department
 42 of local government finance to be used only for payment of the



1 disannexed territory's portion of the outstanding indebtedness.

2 (c) After a disannexation is effective under this chapter, the
3 following apply to debt incurred by the relinquishing school
4 corporation during the period beginning on the date on which a
5 resolution is adopted by an acquiring school corporation under
6 section 9 of this chapter and ending on the date the disannexation
7 is effective under subsection (a):

8 (1) The acquiring school corporation to which the territory is
9 transferred is not liable for and is not required to pay any
10 part of that indebtedness.

11 (2) A property tax may not be imposed on the taxpayers of the
12 transferred territory to pay any part of that indebtedness.

13 (3) The territory that is transferred does not constitute a
14 special taxing district for purposes of paying any part of that
15 indebtedness.

16 **Sec. 15. If the relinquishing school corporation owns a building**
17 **that is located within the territory to be disannexed that:**

18 (1) is not used in whole or in part for classroom instruction at
19 the time a disannexation is initiated; and

20 (2) was previously used for classroom instruction;

21 the relinquishing school corporation shall comply with
22 IC 20-26-7.1, including making the building available for lease or
23 purchase to any charter school or neighboring school corporation
24 for one dollar (\$1) per year, before the relinquishing school
25 corporation may sell or exchange, in accordance with
26 IC 20-25-4-14, IC 20-26-5-4(7), or IC 20-26-7-1, the building.

27 **Sec. 16. (a) Within sixty (60) days after a disannexation takes**
28 **place, the governing body of the acquiring school corporation and**
29 **relinquishing school corporation shall adopt a plan determining the**
30 **manner in which each governing body shall be constituted. The**
31 **plan shall be adopted in accordance with the requirements and**
32 **procedures of IC 20-23-8, except as set out in subsection (b).**

33 (b) The adoption of a plan by the governing body in accordance
34 with IC 20-23-8-10 and its submission to the state board under
35 IC 20-23-8-15 are the only procedures required when an existing
36 plan is changed as follows:

37 (1) All governing body members are elected at large, and
38 there are no governing body member residency districts.

39 (2) Governing body members are elected from governing
40 body member residency districts, and the annexed territory
41 is added to or deleted from one (1) or more districts.

42 (3) A governing body member is appointed from a given area



1 or district, and the annexed territory is added to or deleted
2 from one (1) or more districts or areas.

3 (4) A governing body member is elected solely by the voters in
4 a school governing body member district, but the addition or
5 deletion of the annexed territory to or from an existing
6 district does not constitute a denial of equal protection of the
7 laws.

8 If a school corporation elects or appoints members of its governing
9 body both from a school governing body member district
10 encompassing the entire school corporation and from smaller
11 districts, the governing body of the acquiring school corporation
12 shall add the annexed territory both to the district consisting of the
13 entire school corporation and to one (1) or more smaller districts.
14 In a comparable situation, the relinquishing school corporation
15 shall delete the annexed territory both from the district consisting
16 of the entire school corporation and from any smaller district or
17 districts. The change in the plan becomes effective upon its
18 approval by the state board. The application of this subsection does
19 not limit the initiation of, or further changes in, any plan under
20 IC 20-23-8.

21 Sec. 17. A disannexation that takes effect under this chapter
22 during the period of the pilot program remains in effect after the
23 expiration of the pilot program.

24 Sec. 18. Before July 1, 2021, the state board shall report any
25 data and information gathered from the pilot program to the
26 legislative council in an electronic format under IC 5-14-6.

27 Sec. 19. This chapter expires July 1, 2021.

28 SECTION 3. IC 20-24-2.1-1, AS AMENDED BY P.L.280-2013,
29 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
30 JULY 1, 2019]: Sec. 1. (a) The Indiana charter school board is
31 established for the purpose of authorizing charter schools throughout
32 Indiana.

33 (b) The charter board is a statewide charter school authorizer
34 composed of the following ~~seven (7)~~ **nine (9)** members appointed to
35 four (4) year terms:

36 (1) ~~Two (2)~~ **Four (4)** members ~~who may not be members of the~~
37 ~~same political party~~, appointed by the governor. **Not more than**
38 **two (2) members appointed under this subdivision may be**
39 **members of the same political party.**

40 (2) One (1) member who has previous experience with or on
41 behalf of charter schools appointed by the state superintendent.

42 (3) Four (4) members, who may not be legislators, appointed as



- 1 follows:
- 2 (A) One (1) member appointed by the president pro tempore
- 3 of the senate.
- 4 (B) One (1) member appointed by the minority leader of the
- 5 senate.
- 6 (C) One (1) member appointed by the speaker of the house of
- 7 representatives.
- 8 (D) One (1) member appointed by the minority leader of the
- 9 house of representatives.
- 10 A member appointed under this subsection may not be removed by the
- 11 member's appointing authority without cause before the end of the full
- 12 four (4) year term.
- 13 (c) The governor shall appoint the chairperson of the charter board.
- 14 (d) A majority of the members appointed to the charter board
- 15 constitutes a quorum. The affirmative votes of a majority of the ~~voting~~
- 16 members ~~appointed to the charter board~~ **present** are required for the
- 17 charter board to take action.
- 18 (e) Each member of the charter board who is not a state employee
- 19 is entitled to the minimum salary per diem provided by
- 20 IC 4-10-11-2.1(b). The member is also entitled to reimbursement for
- 21 traveling expenses as provided under IC 4-13-1-4 and other expenses
- 22 actually incurred in connection with the member's duties as provided
- 23 in the state policies and procedures established by the Indiana
- 24 department of administration and approved by the budget agency.
- 25 (f) Members appointed to the charter board must collectively
- 26 possess strong experience and expertise in:
- 27 (1) public and nonprofit governance;
- 28 (2) management;
- 29 (3) finance;
- 30 (4) public school leadership;
- 31 (5) higher education;
- 32 (6) school assessments, curriculum, and instruction; and
- 33 (7) public education law.
- 34 SECTION 4. IC 20-24-5-5, AS AMENDED BY P.L.215-2018(ss),
- 35 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 36 JULY 1, 2019]: Sec. 5. (a) Except as provided in subsections (b), (c),
- 37 (d), (e), and (f), a charter school must enroll any eligible student who
- 38 submits a timely application for enrollment.
- 39 (b) This subsection applies if the number of applications for a
- 40 program, class, grade level, or building exceeds the capacity of the
- 41 program, class, grade level, or building. If a charter school receives a
- 42 greater number of applications than there are spaces for students, each



1 timely applicant must be given an equal chance of admission. The
 2 organizer must determine which of the applicants will be admitted to
 3 the charter school or the program, class, grade level, or building by
 4 random drawing in a public meeting, with each timely applicant limited
 5 to one (1) entry in the drawing. However, the organizer of a charter
 6 school located in a county with a consolidated city shall determine
 7 which of the applicants will be admitted to the charter school or the
 8 program, class, grade level, or building by using a publicly verifiable
 9 random selection process.

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

12 (1) ensure that a student who attends the charter school during a
 13 school year may continue to attend the charter school in
 14 subsequent years;

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

18 (3) allow the siblings of a student **alumnus or a current student**
 19 who attends a charter school or a charter school held by the same
 20 organizer to attend the same charter school the student is
 21 attending **or the student alumnus attended;**

22 (4) allow preschool students who attend a Level 3 or Level 4
 23 Paths to QUALITY program preschool to attend kindergarten at
 24 a charter school if the charter school and the preschool provider
 25 have entered into an agreement to share services or facilities; ~~and~~

26 (5) allow each student who qualifies for free or reduced price
 27 lunch under the national school lunch program to receive
 28 preference for admission to a charter school if the preference is
 29 specifically provided for in the charter school's charter and is
 30 approved by the authorizer; **and**

31 **(6) allow each student who attends a charter school that is**
 32 **co-located with the charter school to receive preference for**
 33 **admission to the charter school if the preference is specifically**
 34 **provided for in the charter school's charter and is approved**
 35 **by the charter school's authorizer.**

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

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

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



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

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

- 9 (1) Disability.
- 10 (2) Race.
- 11 (3) Color.
- 12 (4) Gender.
- 13 (5) National origin.
- 14 (6) Religion.
- 15 (7) Ancestry.

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

18 SECTION 5. IC 20-24-8-1, AS ADDED BY P.L.1-2005, SECTION
 19 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,
 20 2019]: Sec. 1. A charter school may do the following:

- 21 (1) Sue and be sued in its own name.
- 22 (2) For educational purposes, acquire real and personal property
 23 or an interest in real and personal property by purchase, gift,
 24 grant, devise, or bequest, **or interlocal cooperation under**
 25 **IC 36-1-7.**
- 26 (3) Convey property.
- 27 (4) Enter into contracts in its own name, including contracts for
 28 services.

29 SECTION 6. IC 20-25-4-14, AS ADDED BY P.L.1-2005,
 30 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 UPON PASSAGE]: Sec. 14. (a) **Except as provided in IC 20-26-7.1,**
 32 a school city may:

- 33 (1) sell real estate;
- 34 (2) transfer personal property; and
- 35 (3) execute deeds of conveyance and instruments of transfer with
 36 or without covenants of warranty;

37 if, in the opinion of the board, the real estate or personal property
 38 cannot be advantageously used for school or library purposes and can
 39 be sold for its fair cash value.

40 (b) A determination by the board that real estate or personal
 41 property cannot be advantageously used under subsection (a) must be
 42 entered into the record of the minutes of the school city's board.



1 SECTION 7. IC 20-25.7-5-2, AS AMENDED BY P.L.86-2018,
 2 SECTION 174, IS AMENDED TO READ AS FOLLOWS
 3 [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) The board may enter into
 4 an agreement with an organizer to reconstitute an eligible school as a
 5 participating innovation network charter school or to establish a
 6 participating innovation network charter school at a location selected
 7 by the board within the boundary of the school corporation.
 8 Notwithstanding ~~IC 20-26-7-1~~, **IC 20-26-7.1**, a participating innovation
 9 network charter school may be established within a vacant school
 10 building.

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

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

17 (2) The amount of state funding, including tuition support (if the
 18 participating innovation network charter school is treated in the
 19 same manner as a school operated by the school corporation
 20 under subsection (d)(2)), and money levied as property taxes that
 21 will be distributed by the school corporation to the organizer.

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

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

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

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

35 (2) the department shall treat the participating innovation network
 36 charter school in the same manner as a school operated by the
 37 school corporation when calculating the total amount of state
 38 funding to be distributed to the school corporation unless
 39 subsection (e) applies; and

40 (3) if requested by a participating innovation network charter
 41 school that reconstitutes an eligible school, the department may
 42 use student growth as the state board's exclusive means to



- 1 determine the innovation network charter school's category or
 2 designation of school improvement under 511 IAC 6.2-10-10 for
 3 a period of three (3) years.
- 4 (e) If a participating innovation network school was established
 5 before January 1, 2016, and for the current school year has a
 6 complexity index that is greater than the complexity index for the
 7 school corporation that the innovation network school has contracted
 8 with, the innovation network school shall be treated as a charter school
 9 for purposes of determining tuition support. This subsection expires
 10 June 30, 2019.
- 11 SECTION 8. IC 20-26-1-1, AS AMENDED BY P.L.185-2017,
 12 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 UPON PASSAGE]: Sec. 1. Except as otherwise provided, IC 20-26-1
 14 through IC 20-26-5, ~~and~~ IC 20-26-7, **and IC 20-26-7.1** apply to all
 15 school corporations.
- 16 SECTION 9. IC 20-26-2-1, AS ADDED BY P.L.1-2005, SECTION
 17 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON
 18 PASSAGE]: Sec. 1. Notwithstanding IC 20-18-2, the definitions in this
 19 chapter apply in IC 20-26-1 through IC 20-26-5, ~~and~~ IC 20-26-7, **and**
 20 **IC 20-26-7.1.**
- 21 SECTION 10. IC 20-26-5-4, AS AMENDED BY P.L.244-2017,
 22 SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 UPON PASSAGE]: Sec. 4. (a) In carrying out the school purposes of
 24 a school corporation, the governing body acting on the school
 25 corporation's behalf has the following specific powers:
- 26 (1) In the name of the school corporation, to sue and be sued and
 27 to enter into contracts in matters permitted by applicable law.
 28 However, a governing body may not use funds received from the
 29 state to bring or join in an action against the state, unless the
 30 governing body is challenging an adverse decision by a state
 31 agency, board, or commission.
- 32 (2) To take charge of, manage, and conduct the educational affairs
 33 of the school corporation and to establish, locate, and provide the
 34 necessary schools, school libraries, other libraries where
 35 permitted by law, other buildings, facilities, property, and
 36 equipment.
- 37 (3) To appropriate from the school corporation's general fund
 38 (before January 1, 2019) or the school corporation's operations
 39 fund (after December 31, 2018) an amount, not to exceed the
 40 greater of three thousand dollars (\$3,000) per budget year or one
 41 dollar (\$1) per pupil, not to exceed twelve thousand five hundred
 42 dollars (\$12,500), based on the school corporation's ADM of the



1 previous year (as defined in IC 20-43-1-7) to promote the best
 2 interests of the school corporation through:

3 (A) the purchase of meals, decorations, memorabilia, or
 4 awards;

5 (B) provision for expenses incurred in interviewing job
 6 applicants; or

7 (C) developing relations with other governmental units.

8 (4) To do the following:

9 (A) Acquire, construct, erect, maintain, hold, and contract for
 10 construction, erection, or maintenance of real estate, real estate
 11 improvements, or an interest in real estate or real estate
 12 improvements, as the governing body considers necessary for
 13 school purposes, including buildings, parts of buildings,
 14 additions to buildings, rooms, gymnasiums, auditoriums,
 15 playgrounds, playing and athletic fields, facilities for physical
 16 training, buildings for administrative, office, warehouse, repair
 17 activities, or housing school owned buses, landscaping, walks,
 18 drives, parking areas, roadways, easements and facilities for
 19 power, sewer, water, roadway, access, storm and surface
 20 water, drinking water, gas, electricity, other utilities and
 21 similar purposes, by purchase, either outright for cash (or
 22 under conditional sales or purchase money contracts providing
 23 for a retention of a security interest by the seller until payment
 24 is made or by notes where the contract, security retention, or
 25 note is permitted by applicable law), by exchange, by gift, by
 26 devise, by eminent domain, by lease with or without option to
 27 purchase, or by lease under IC 20-47-2, IC 20-47-3, or
 28 IC 20-47-5.

29 (B) Repair, remodel, remove, or demolish, or to contract for
 30 the repair, remodeling, removal, or demolition of the real
 31 estate, real estate improvements, or interest in the real estate
 32 or real estate improvements, as the governing body considers
 33 necessary for school purposes.

34 (C) Provide for conservation measures through utility
 35 efficiency programs or under a guaranteed savings contract as
 36 described in IC 36-1-12.5.

37 (5) To acquire personal property or an interest in personal
 38 property as the governing body considers necessary for school
 39 purposes, including buses, motor vehicles, equipment, apparatus,
 40 appliances, books, furniture, and supplies, either by cash purchase
 41 or under conditional sales or purchase money contracts providing
 42 for a security interest by the seller until payment is made or by



- 1 notes where the contract, security, retention, or note is permitted
 2 by applicable law, by gift, by devise, by loan, or by lease with or
 3 without option to purchase and to repair, remodel, remove,
 4 relocate, and demolish the personal property. All purchases and
 5 contracts specified under the powers authorized under subdivision
 6 (4) and this subdivision are subject solely to applicable law
 7 relating to purchases and contracting by municipal corporations
 8 in general and to the supervisory control of state agencies as
 9 provided in section 6 of this chapter.
- 10 (6) To sell or exchange real or personal property or interest in real
 11 or personal property that, in the opinion of the governing body, is
 12 not necessary for school purposes, in accordance with IC 20-26-7
 13 **and IC 20-26-7.1**, to demolish or otherwise dispose of the
 14 property if, in the opinion of the governing body, the property is
 15 not necessary for school purposes and is worthless, and to pay the
 16 expenses for the demolition or disposition.
- 17 (7) To lease any school property for a rental that the governing
 18 body considers reasonable or to permit the free use of school
 19 property for:
- 20 (A) civic or public purposes; or
 21 (B) the operation of a school age child care program for
 22 children who are at least five (5) years of age and less than
 23 fifteen (15) years of age that operates before or after the school
 24 day, or both, and during periods when school is not in session;
 25 if the property is not needed for school purposes. Under this
 26 subdivision, the governing body may enter into a long term lease
 27 with a nonprofit corporation, community service organization, or
 28 other governmental entity, if the corporation, organization, or
 29 other governmental entity will use the property to be leased for
 30 civic or public purposes or for a school age child care program.
 31 However, if payment for the property subject to a long term lease
 32 is made from money in the school corporation's debt service fund,
 33 all proceeds from the long term lease must be deposited in the
 34 school corporation's debt service fund so long as payment for the
 35 property has not been made. The governing body may, at the
 36 governing body's option, use the procedure specified in
 37 IC 36-1-11-10 in leasing property under this subdivision.
- 38 (8) To do the following:
- 39 (A) Employ, contract for, and discharge superintendents,
 40 supervisors, principals, teachers, librarians, athletic coaches
 41 (whether or not they are otherwise employed by the school
 42 corporation and whether or not they are licensed under



- 1 IC 20-28-5), business managers, superintendents of buildings
 2 and grounds, janitors, engineers, architects, physicians,
 3 dentists, nurses, accountants, teacher aides performing
 4 noninstructional duties, educational and other professional
 5 consultants, data processing and computer service for school
 6 purposes, including the making of schedules, the keeping and
 7 analyzing of grades and other student data, the keeping and
 8 preparing of warrants, payroll, and similar data where
 9 approved by the state board of accounts as provided below,
 10 and other personnel or services as the governing body
 11 considers necessary for school purposes.
- 12 (B) Fix and pay the salaries and compensation of persons and
 13 services described in this subdivision that are consistent with
 14 IC 20-28-9-1.5.
- 15 (C) Classify persons or services described in this subdivision
 16 and to adopt a compensation plan with a salary range that is
 17 consistent with IC 20-28-9-1.5.
- 18 (D) Determine the number of the persons or the amount of the
 19 services employed or contracted for as provided in this
 20 subdivision.
- 21 (E) Determine the nature and extent of the duties of the
 22 persons described in this subdivision.
- 23 The compensation, terms of employment, and discharge of
 24 teachers are, however, subject to and governed by the laws
 25 relating to employment, contracting, compensation, and discharge
 26 of teachers. The compensation, terms of employment, and
 27 discharge of bus drivers are subject to and governed by laws
 28 relating to employment, contracting, compensation, and discharge
 29 of bus drivers.
- 30 (9) Notwithstanding the appropriation limitation in subdivision
 31 (3), when the governing body by resolution considers a trip by an
 32 employee of the school corporation or by a member of the
 33 governing body to be in the interest of the school corporation,
 34 including attending meetings, conferences, or examining
 35 equipment, buildings, and installation in other areas, to permit the
 36 employee to be absent in connection with the trip without any loss
 37 in pay and to reimburse the employee or the member the
 38 employee's or member's reasonable lodging and meal expenses
 39 and necessary transportation expenses. To pay teaching personnel
 40 for time spent in sponsoring and working with school related trips
 41 or activities.
- 42 (10) Subject to IC 20-27-13, to transport children to and from



- 1 school, when in the opinion of the governing body the
2 transportation is necessary, including considerations for the safety
3 of the children. The transportation must be otherwise in
4 accordance with applicable law.
- 5 (11) To provide a lunch program for a part or all of the students
6 attending the schools of the school corporation, including the
7 establishment of kitchens, kitchen facilities, kitchen equipment,
8 lunch rooms, the hiring of the necessary personnel to operate the
9 lunch program, and the purchase of material and supplies for the
10 lunch program, charging students for the operational costs of the
11 lunch program, fixing the price per meal or per food item. To
12 operate the lunch program as an extracurricular activity, subject
13 to the supervision of the governing body. To participate in a
14 surplus commodity or lunch aid program.
- 15 (12) To purchase curricular materials, to furnish curricular
16 materials without cost or to rent curricular materials to students,
17 and to participate in a curricular materials aid program, all in
18 accordance with applicable law.
- 19 (13) To accept students transferred from other school corporations
20 and to transfer students to other school corporations in accordance
21 with applicable law.
- 22 (14) To make budgets, to appropriate funds, and to disburse the
23 money of the school corporation in accordance with applicable
24 law. To borrow money against current tax collections and
25 otherwise to borrow money, in accordance with IC 20-48-1.
- 26 (15) To purchase insurance or to establish and maintain a
27 program of self-insurance relating to the liability of the school
28 corporation or the school corporation's employees in connection
29 with motor vehicles or property and for additional coverage to the
30 extent permitted and in accordance with IC 34-13-3-20. To
31 purchase additional insurance or to establish and maintain a
32 program of self-insurance protecting the school corporation and
33 members of the governing body, employees, contractors, or agents
34 of the school corporation from liability, risk, accident, or loss
35 related to school property, school contract, school or school
36 related activity, including the purchase of insurance or the
37 establishment and maintenance of a self-insurance program
38 protecting persons described in this subdivision against false
39 imprisonment, false arrest, libel, or slander for acts committed in
40 the course of the persons' employment, protecting the school
41 corporation for fire and extended coverage and other casualty
42 risks to the extent of replacement cost, loss of use, and other



- 1 insurable risks relating to property owned, leased, or held by the
 2 school corporation. In accordance with IC 20-26-17, to:
- 3 (A) participate in a state employee health plan under
 4 IC 5-10-8-6.7;
- 5 (B) purchase insurance; or
- 6 (C) establish and maintain a program of self-insurance;
 7 to benefit school corporation employees, including accident,
 8 sickness, health, or dental coverage, provided that a plan of
 9 self-insurance must include an aggregate stop-loss provision.
- 10 (16) To make all applications, to enter into all contracts, and to
 11 sign all documents necessary for the receipt of aid, money, or
 12 property from the state, the federal government, or from any other
 13 source.
- 14 (17) To defend a member of the governing body or any employee
 15 of the school corporation in any suit arising out of the
 16 performance of the member's or employee's duties for or
 17 employment with, the school corporation, if the governing body
 18 by resolution determined that the action was taken in good faith.
 19 To save any member or employee harmless from any liability,
 20 cost, or damage in connection with the performance, including the
 21 payment of legal fees, except where the liability, cost, or damage
 22 is predicated on or arises out of the bad faith of the member or
 23 employee, or is a claim or judgment based on the member's or
 24 employee's malfeasance in office or employment.
- 25 (18) To prepare, make, enforce, amend, or repeal rules,
 26 regulations, and procedures:
- 27 (A) for the government and management of the schools,
 28 property, facilities, and activities of the school corporation, the
 29 school corporation's agents, employees, and pupils and for the
 30 operation of the governing body; and
- 31 (B) that may be designated by an appropriate title such as
 32 "policy handbook", "bylaws", or "rules and regulations".
- 33 (19) To ratify and approve any action taken by a member of the
 34 governing body, an officer of the governing body, or an employee
 35 of the school corporation after the action is taken, if the action
 36 could have been approved in advance, and in connection with the
 37 action to pay the expense or compensation permitted under
 38 IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 20-40-12, and
 39 IC 20-48-1 or any other law.
- 40 (20) To exercise any other power and make any expenditure in
 41 carrying out the governing body's general powers and purposes
 42 provided in this chapter or in carrying out the powers delineated



1 in this section which is reasonable from a business or educational
 2 standpoint in carrying out school purposes of the school
 3 corporation, including the acquisition of property or the
 4 employment or contracting for services, even though the power or
 5 expenditure is not specifically set out in this chapter. The specific
 6 powers set out in this section do not limit the general grant of
 7 powers provided in this chapter except where a limitation is set
 8 out in IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 20-40-12,
 9 IC 20-40-18 (after December 31, 2018), and IC 20-48-1 by
 10 specific language or by reference to other law.

11 (b) A superintendent hired under subsection (a)(8):

12 (1) is not required to hold a teacher's license under IC 20-28-5;
 13 and

14 (2) is required to have obtained at least a master's degree from an
 15 accredited postsecondary educational institution.

16 SECTION 11. IC 20-26-5-12, AS AMENDED BY P.L.2-2006,
 17 SECTION 118, IS AMENDED TO READ AS FOLLOWS
 18 [EFFECTIVE UPON PASSAGE]: Sec. 12. Except for IC 20-26-4-1,
 19 IC 20-26-4-4, and IC 20-26-4-5, the powers given each school
 20 corporation in IC 20-26-1 through IC 20-26-5, IC 20-26-7,
 21 IC 20-40-12, and IC 20-48-1 and the limitations on those powers set
 22 out in IC 20-26-1 through IC 20-26-5, IC 20-26-7, **IC 20-26-7.1**,
 23 IC 20-40-12, and IC 20-48-1 may not be construed to limit the
 24 authority of the governing body given by any other statute or rule.

25 SECTION 12. IC 20-26-5-32.2, AS AMENDED BY P.L.6-2012,
 26 SECTION 132, IS AMENDED TO READ AS FOLLOWS
 27 [EFFECTIVE JULY 1, 2019]: Sec. 32.2. (a) Notwithstanding
 28 IC 22-2-5-1, a school corporation, **educational service center**, or
 29 charter school and:

30 (1) an employee if there is no representative described under
 31 subdivision (2) or (3) for that employee;

32 (2) the exclusive representative of its certificated employees with
 33 respect to those employees; or

34 (3) a labor organization representing its noncertificated
 35 employees with respect to those employees;

36 may agree in writing to a wage payment arrangement.

37 (b) A wage payment arrangement under subsection (a) may provide
 38 that compensation earned during a school year may be paid:

39 (1) using equal installments or any other method; and

40 (2) over:

41 (A) all or part of that school year; or

42 (B) any other period that begins not earlier than the first day of



1 that school year and ends not later than thirteen (13) months
2 after the wage payment arrangement period begins.

3 Such an arrangement may provide that compensation earned in a
4 calendar year is paid in the next calendar year, so long as all the
5 compensation is paid within the thirteen (13) month period beginning
6 with the first day of the school year.

7 (c) A wage payment arrangement under subsection (a) must be
8 structured in such a manner so that it is not considered:

9 (1) a nonqualified deferred compensation plan for purposes of
10 Section 409A of the Internal Revenue Code; or

11 (2) deferred compensation for purposes of Section 457(f) of the
12 Internal Revenue Code.

13 (d) Absent an agreement under subsection (a), a school corporation,
14 **educational service center**, or charter school remains subject to
15 IC 22-2-5-1.

16 (e) Wage payments required under a wage payment arrangement
17 entered into under subsection (a) are enforceable under IC 22-2-5-2.

18 (f) If an employee leaves employment for any reason, either
19 permanently or temporarily, the amount due the employee under
20 IC 22-2-5-1 and IC 22-2-9-2 is the total amount of wages earned and
21 unpaid. If the employment relationship ends at the conclusion of a
22 school year, the school corporation, **educational service center**, or
23 charter school may pay the employee the remaining wages owed as
24 provided in the written wage payment arrangement.

25 (g) Employment with a school corporation, **educational service**
26 **center**, or charter school may not be conditioned upon the acceptance
27 of a wage payment arrangement under subsection (a).

28 (h) An employee may revoke a wage payment arrangement under
29 subsection (a) at the beginning of each school year.

30 (i) A wage payment arrangement under this chapter may not contain
31 any terms beyond those permitted to be bargained under IC 20-29-6-4.

32 SECTION 13. IC 20-26-7-1, AS AMENDED BY P.L.140-2018,
33 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
34 UPON PASSAGE]: Sec. 1. (a) As used in this section, "charter school"
35 has the meaning set forth in IC 20-24-1-4 and includes a group or entity
36 seeking approval from an authorizer to operate a charter school under
37 IC 20-24-3.

38 (b) (a) Except as otherwise provided in this section, IC 20-26-7.1,
39 if a governing body of a school corporation determines that any real or
40 personal property:

41 (1) is no longer needed for school purposes; or

42 (2) should, in the interests of the school corporation, be



1 exchanged for other property;
 2 the governing body may sell or exchange the property in accordance
 3 with IC 36-1-11.

4 (e) (b) Money derived from the sale or exchange of property under
 5 this section shall be placed in the school corporation's operations fund.

6 (f) (c) A governing body may not **enter into a lease agreement** or
 7 make a covenant that prohibits the sale of real property to another
 8 educational institution.

9 (e) This subsection does not apply to a school building that on July
 10 1, 2011, is leased or loaned by the school corporation that owns the
 11 school building to another entity, if the entity is not a building
 12 corporation or other entity that is related in any way to, or created by,
 13 the school corporation or the governing body. Except as provided in
 14 subsections (k) through (p), a governing body shall make available for
 15 lease or purchase to any charter school any school building owned by
 16 the school corporation or any other entity that is related in any way to,
 17 or created by, the school corporation or the governing body, including
 18 but not limited to a building corporation, that:

19 (1) either:

20 (A) is not used in whole or in part for classroom instruction at
 21 the time the charter school seeks to lease the building; or

22 (B) appears on the list compiled by the department under
 23 subsection (f); and

24 (2) was previously used for classroom instruction;
 25 in order for the charter school to conduct classroom instruction.

26 (f) Not later than August 1 each calendar year, each governing body
 27 shall inform the department if a school building that was previously
 28 used for classroom instruction is closed, unused, or unoccupied. The
 29 department shall maintain a list of closed, unused, or unoccupied
 30 school buildings and make the list available on the department's
 31 Internet web site. Each school corporation shall provide a list of closed,
 32 unused, or unoccupied buildings to the department by the date set by
 33 the department. The department must update the list not later than
 34 fifteen (15) days after being notified of a closed, unused, or unoccupied
 35 building.

36 (g) A school building that appears for the first time on the
 37 department's list under subsection (f) shall be designated as
 38 "Unavailable until (a date two (2) years after the school building first
 39 appears on the list)" if the governing body of the school corporation
 40 that owns the school building indicates to the department, on a form
 41 prescribed by the department, that the school building may be
 42 reclaimed during that period for classroom instruction. If a governing



1 body does not indicate that a school building may be reclaimed; the
2 governing body shall designate the school building as "Available" on
3 the department's list. The governing body may change the designation
4 of a building from unavailable to available at any time. If the
5 designation of a school building is "Available" on the department's list;
6 the governing body of the school corporation that owns the school
7 building may reclaim the school building for classroom instruction at
8 any time before the submission of a letter of intent by a charter school
9 under subsection (h) by indicating to the department, on a form
10 prescribed by the department, that the school desires to reclaim the
11 building for classroom instruction. The department shall remove the
12 school building from the department's list under subsection (f). If a
13 school building remains unused for classroom instruction one (1) year
14 after being reclaimed under this subsection; the governing body shall
15 designate the school building as "Available" on the department's list.
16 A governing body may reclaim a school building only one (1) time
17 under this subsection.

18 (h) If a charter school wishes to use a school building on the list
19 created under subsection (f); the charter school shall send a letter of
20 intent to the department. Within thirty (30) days after receiving a letter
21 from a charter school; the department shall notify the school
22 corporation of the charter school's intent, and, within thirty (30) days
23 after receiving notification from the department; the school corporation
24 that owns the school building shall lease the school building to the
25 charter school for one dollar (\$1) per year for as long as the charter
26 school uses the school building for classroom instruction or for a term
27 at the charter school's discretion; or sell the school building to the
28 charter school for one dollar (\$1). The charter school must begin to use
29 the school building for classroom instruction not later than two (2)
30 years after acquiring the school building. If the school building is not
31 used for classroom instruction within two (2) years after acquiring the
32 school building; the school building shall be placed on the department's
33 list under subsection (f). If during the term of the lease the charter
34 school closes or ceases using the school building for classroom
35 instruction; the school building shall be placed on the department's list
36 under subsection (f). If a school building is sold to a charter school
37 under this subsection and the charter school or any entity related to the
38 charter school subsequently sells or transfers the school building to a
39 third party; the charter school or related entity must transfer an amount
40 equal to the gain in the property minus the adjusted basis (including
41 costs of improvements to the school building) to the school corporation
42 that initially sold the vacant school building to the charter school. Gain



1 and adjusted basis shall be determined in the manner prescribed by the
 2 Internal Revenue Code and the applicable Internal Revenue Service
 3 regulations and guidelines.

4 (i) During the term of a lease under subsection (h), the charter
 5 school is responsible for the direct expenses related to the school
 6 building leased, including utilities, insurance, maintenance, repairs,
 7 and remodeling. The school corporation is responsible for any debt
 8 incurred for or liens that attached to the school building before the
 9 charter school leased the school building.

10 (j) With the exception of a waiver provided in this section, when a
 11 school building is designated as "Available" under subsection (g), the
 12 school building must remain designated as "Available", unless it is
 13 reclaimed under subsection (g), and may not be sold or otherwise
 14 disposed of for at least two (2) years. When the two (2) year period has
 15 elapsed, the school corporation may sell or otherwise dispose of the
 16 school building in accordance with IC 36-1-11.

17 (k) Notwithstanding subsection (e), a governing body may request
 18 a waiver from the department from the requirements of subsection (e).
 19 In order for a governing body to receive a waiver under subsection (n),
 20 the governing body must apply to the department, on a form prescribed
 21 by the department, for the waiver. The application must include a
 22 statement that the governing body believes that a charter school would
 23 not be interested in leasing or purchasing the vacant or unused school
 24 building.

25 (l) If the department receives a waiver request under subsection (k),
 26 the department, within five (5) days after receiving the waiver request
 27 under subsection (k), shall notify each charter school authorizer and
 28 statewide organization representing charter schools in Indiana by
 29 certified mail of the waiver request received under subsection (k). The
 30 notice must include a copy of the governing body's waiver request.

31 (m) Not later than thirty (30) days after a charter school authorizer
 32 or statewide organization representing charter schools in Indiana
 33 receives a notice described in subsection (l), the charter school
 34 authorizer or a statewide organization representing charter schools may
 35 submit a qualified objection to the governing body's request for a
 36 waiver under subsection (k). The qualified objection must be submitted
 37 to the department in writing. In order for an objection to be considered
 38 a qualified objection by the department, the objection must include:

- 39 (1) the name of the charter school that is interested in leasing or
 40 purchasing the vacant or unused school building; and
 41 (2) a time frame, which may not exceed one (1) year from the date
 42 of the objection, in which the charter school intends to begin



- 1 providing classroom instruction in the vacant or unused school
2 building.
- 3 (n) If the department receives a qualified objection under subsection
4 (m), the vacant or unused school building shall remain on the
5 department's list under subsection (f) with the designation with which
6 the building is listed under subsection (g) at the time the department
7 receives the waiver request. If the department does not receive a
8 qualified objection, the department shall grant the governing body's
9 request for a waiver. A governing body that receives a waiver under
10 this subsection may sell or otherwise dispose of the unused or vacant
11 school building in accordance with IC 36-1-11.
- 12 (o) The governing body of the School City of East Chicago school
13 corporation may request a waiver from the department from the
14 requirements of subsection (e) for the Carrie Gosch Elementary School
15 building. If requested, the department shall grant the waiver. To receive
16 the waiver, the governing body must apply to the department on a form
17 prescribed by the department.
- 18 (p) An emergency manager of a distressed school corporation under
19 IC 6-1.1-20.3 or a fiscally impaired school corporation under
20 IC 6-1.1-20.3 may sell an existing school building without complying
21 with the requirements of subsection (e).
- 22 SECTION 14. IC 20-26-7.1 IS ADDED TO THE INDIANA CODE
23 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
24 UPON PASSAGE]:
- 25 **Chapter 7.1. Transfers of Vacant School Buildings to Charter**
26 **Schools**
- 27 **Sec. 1. This chapter does not apply to a school building that on**
28 **July 1, 2011, is leased or loaned by the school corporation that**
29 **owns the school building to another entity, if the entity is not a**
30 **building corporation or other entity that is related in any way to,**
31 **or created by, the school corporation or the governing body.**
- 32 **Sec. 2. As used in this chapter, "charter school" has the meaning**
33 **set forth in IC 20-24-1-4 and includes an entity that has filed an**
34 **application with an authorizer and is seeking approval from the**
35 **authorizer to operate a charter school under IC 20-24-3.**
- 36 **Sec. 3. (a) Before a governing body may sell or exchange a**
37 **building described in this section in accordance with IC 20-25-4-14,**
38 **IC 20-26-5-4(7), or IC 20-26-7-1, and except as provided in this**
39 **chapter, a governing body shall make available for lease or**
40 **purchase to any charter school any school building owned by the**
41 **school corporation or any other entity that is related in any way to,**
42 **or created by, the school corporation or the governing body,**



1 including but not limited to a building corporation, that:

2 (1) is vacant or unused; and

3 (2) was previously used for classroom instruction;

4 in order for the charter school to conduct kindergarten through
5 grade 12 classroom instruction.

6 (b) The following are not required to comply with the
7 requirements provided in section 4 of this chapter:

8 (1) A governing body that vacates a school building in order
9 to:

10 (A) renovate the school building for future use by the
11 school corporation; or

12 (B) demolish the school building and build a new school
13 building on the same site as the demolished building.

14 (2) An emergency manager of a distressed school corporation
15 under IC 6-1.1-20.3.

16 (3) The governing body of the School City of East Chicago
17 school corporation for the Carrie Gosch Elementary School
18 building.

19 (c) Notwithstanding subsection (a), a lease entered into by a
20 governing body under IC 20-26-5-4(7) prior to July 1, 2019, with
21 an accredited nonpublic school shall remain in full force and effect.
22 In addition, the governing body may, during or at the expiration of
23 the term of such lease, sell the school building leased under
24 IC 20-26-5-4(7) to the nonpublic school at a purchase price
25 mutually agreed to by the governing body and the nonpublic
26 school.

27 Sec. 4. (a) Not later than ten (10) days after passing a resolution
28 or taking other official action to close, no longer use, or no longer
29 occupy a school building that was previously used for classroom
30 instruction, the governing body shall:

31 (1) notify the department of the official action and the
32 effective date that the school building will be closed, no longer
33 used, or no longer occupied;

34 (2) make the school building available for inspection by a
35 charter school that notifies the department that it is interested
36 in leasing or purchasing the school building described under
37 section 3 of this chapter; and

38 (3) make the following information available to a charter
39 school described in subdivision (2):

40 (A) Estimates of the operating expenses for the school
41 building for the past three (3) years.

42 (B) Written information regarding the condition of the



1 **building, including the age of the roof and the HVAC**
 2 **system, and any known conditions which, in the governing**
 3 **body's opinion, require prompt repair or replacement.**
 4 **(C) A description of the property as shown on the current**
 5 **tax statement.**
 6 **(b) Within five (5) days of receiving notice under subsection**
 7 **(a)(1), the department shall provide written notification to each**
 8 **charter school authorizer (excluding school corporation**
 9 **authorizers as defined in IC 20-24-1-2.5(1)) and statewide**
 10 **organizations representing charter schools in Indiana of the school**
 11 **corporation's resolution or official action described in subsection**
 12 **(a), including the date when the school building will close, no**
 13 **longer be used, or become vacant.**
 14 **(c) The school corporation shall lease the school building to a**
 15 **charter school for one dollar (\$1) per year for as long as the**
 16 **charter school uses the school building for classroom instruction**
 17 **for a term at the charter school's discretion, or sell the school**
 18 **building for one dollar (\$1), if the charter school does the**
 19 **following:**
 20 **(1) Within thirty (30) days of receiving the department's**
 21 **notice under subsection (b), a charter school must submit a**
 22 **preliminary request to purchase or lease the school building.**
 23 **(2) Subject to subsection (d), within ninety (90) days of**
 24 **receiving the department's notice under subsection (b), a**
 25 **charter school must submit to the school corporation the**
 26 **following information:**
 27 **(A) The name of the charter school that is interested in**
 28 **leasing or purchasing the vacant or unused school building.**
 29 **(B) A time frame, which may not exceed two (2) years from**
 30 **the date that the school building is to be closed, no longer**
 31 **used, or no longer occupied, in which the charter school**
 32 **intends to begin providing classroom instruction in the**
 33 **vacant or unused school building.**
 34 **(C) A resolution, adopted by the board of the charter**
 35 **school stating that the board has determined that, after the**
 36 **charter school has made any necessary repairs or**
 37 **modifications, the school building will be sufficient to meet**
 38 **the charter school's needs and can be operated within the**
 39 **charter school's budget.**
 40 **(D) This clause applies to a vacant or unused school**
 41 **building with more than two hundred thousand (200,000)**
 42 **gross square feet. In addition to the information provided**



- 1 in clauses (A) through (C), a charter school shall submit
2 the following:
- 3 (i) The charter school's projected enrollment when all of
4 the grade levels are added.
- 5 (ii) A letter from the charter school's authorizer or
6 prospective authorizer that indicates that the charter
7 school's authorizer or prospective authorizer has
8 reviewed the items described in clauses (B) through (C).
- 9 (d) If the department does not receive any preliminary requests
10 to purchase or lease a school building within the time frame
11 described in subsection (c)(1) and except as provided in section 7
12 of this chapter, the department shall send notification to the school
13 corporation that the department has not received any preliminary
14 requests to purchase or lease the school building. Upon receipt of
15 the notification under this subsection, the school corporation may
16 sell or otherwise dispose of the school building in accordance with
17 IC 36-1-11, IC 20-25-4-14, IC 20-26-5-4(7), and section 8 of this
18 chapter.
- 19 (e) In the event that two (2) or more charter schools submit a
20 preliminary request to purchase or lease a school building within
21 the time frame described in subsection (c)(1), the department shall
22 send notification to an authorizer described in IC 20-24-1-2.5(3)
23 and each statewide charter school authorizer and statewide
24 organization representing charter schools in Indiana (excluding
25 school corporation authorizers as defined in IC 20-24-1-2.5(1)) and
26 the school corporation that the department has received two (2) or
27 more preliminary requests under this section. An authorizer
28 committee shall be established, with each statewide authorizer that
29 has authorized one (1) or more charter schools appointing a
30 representative, and the committee shall establish the chairperson
31 and procedures for the committee. Within sixty (60) days of
32 receiving notice under this subsection, the committee shall select
33 which charter school may proceed to purchase or lease the school
34 building or determine if two (2) or more charter schools should
35 co-locate within the school building. The committee shall give
36 priority to a charter school located within one (1) mile of the
37 vacant or unused school building. In the event that the committee
38 determines that two (2) or more charter schools should co-locate
39 in the school building, the charter schools have sixty (60) days to
40 submit a memorandum of understanding stating that the charter
41 schools shall be jointly and severally liable for the obligations
42 related to the sale or lease of the school building, and specifying



1 how the charter schools will utilize the school building and share
 2 responsibility for operational, maintenance, and renovation
 3 expenses. If the charter schools are unable to agree, the charter
 4 schools shall be deemed to have revoked their prior request
 5 regarding the lease or sale of the school building.

6 (f) A school corporation shall lease the school building for one
 7 dollar (\$1) per year for as long as the charter school uses the school
 8 building for classroom instruction for any combination of
 9 kindergarten through grade 12 for a term at the charter school's
 10 discretion, or sell the school building to the charter school for one
 11 dollar (\$1), if the charter school has met the requirements set forth
 12 in subsection (c) and uses the vacant or unused school building to
 13 provide classroom instruction to students in any combination of
 14 kindergarten through grade 12. If a charter school has not met the
 15 requirements under subsection (c), the school corporation may,
 16 subject to section 7 of this chapter, sell or otherwise dispose of the
 17 school building in accordance with IC 36-1-11, IC 20-25-4-14,
 18 IC 20-26-5-4(7), and section 8 of this chapter.

19 Sec. 5. (a) If a school building is sold to a charter school under
 20 section 3 or 4 of this chapter and the charter school, or any
 21 subsequent owner, subsequently sells or transfers the school
 22 building to a third party, the charter school or subsequent owner
 23 must transfer an amount equal to the gain in the property minus
 24 the adjusted basis (including costs of improvements to the school
 25 building) to the school corporation that initially sold the vacant
 26 school building to the charter school. Gain and adjusted basis shall
 27 be determined in the manner prescribed by the Internal Revenue
 28 Code and the applicable Internal Revenue Service regulations and
 29 guidelines.

30 (b) A charter school that purchases a school building assumes
 31 total control of the school building and must maintain the school
 32 building, including utilities, insurance, maintenance, and repairs.
 33 In the event a charter school does not use the school building for
 34 classroom instruction within two (2) years after acquiring the
 35 school building, the school building shall revert to the school
 36 corporation, which may sell or otherwise dispose of the school
 37 building under IC 36-1-11.

38 Sec. 6. During the term of a lease under section 4 of this chapter,
 39 the charter school is responsible for the direct expenses related to
 40 the school building leased, including utilities, insurance,
 41 maintenance, repairs, and remodeling. If the lease involves
 42 co-locating charter schools, the obligations under the lease of the



1 school building shall be joint and several. The school corporation
2 is responsible for any debt incurred for or liens that attached to the
3 school building before the charter school leased the school
4 building.

5 Sec. 7. (a) This section applies to a school building with a gross
6 square footage of two hundred thousand (200,000) square feet or
7 less.

8 (b) If the school corporation receives notification from the
9 department that the department has not received any preliminary
10 requests to purchase or lease a vacant or unused school building
11 under section 4(c)(1) of this chapter or a charter school has not met
12 the requirements under section 4(c)(2) or 4(e) of this chapter, the
13 school corporation must sell the school building to an accredited
14 nonpublic school or postsecondary educational institution that
15 sends a letter of intent to the school corporation to purchase the
16 vacant or unused school building for an amount not more than the
17 minimum bid for the vacant or unused school building determined
18 in accordance with IC 36-1-11, or an amount agreed to by both
19 parties.

20 (c) The accredited nonpublic school or postsecondary
21 educational institution must submit its letter of intent to purchase
22 the school building within thirty (30) days of the date the school
23 corporation passes a resolution or takes other official action to
24 close, no longer use, or no longer occupy a school building that was
25 previously used for classroom instruction. However, in the event
26 that a charter school has submitted a preliminary request to
27 purchase or lease a school building, the accredited nonpublic
28 school or postsecondary educational institution may send a letter
29 of intent to purchase or lease the school building within ninety (90)
30 days of the date that the school corporation passed a resolution or
31 took official action to close, no longer use, or no longer occupy a
32 school building.

33 (d) Within forty-five (45) days of notice of the minimum bid, the
34 accredited nonpublic school or postsecondary educational
35 institution must provide a binding offer to the school corporation
36 to purchase the property in its current condition and provide a
37 nonrefundable down payment equal to five percent (5%) of the
38 minimum bid or an amount agreed to by both parties. In the event
39 that two (2) or more binding offers are submitted to the school
40 corporation under this subsection, the school corporation may
41 select which offer to accept.

42 (e) If the sale of the property does not close within one hundred



1 **eighty (180) days of the school corporation's receipt of the binding**
 2 **offer, and the delay in closing is not caused by the school**
 3 **corporation or its representatives, the school corporation may**
 4 **refund the down payment and sell or otherwise dispose of the**
 5 **school building under IC 20-25-4-14, IC 20-26-5-4(7), or**
 6 **IC 36-1-11.**

7 **Sec. 8. (a) This section applies to the sale of a vacant or unused**
 8 **school building with more than two hundred thousand (200,000)**
 9 **gross square feet under IC 36-1-11, as permitted by this chapter.**

10 **(b) In determining whether to accept a proposal to purchase and**
 11 **redevelop the school building and any adjacent property, the**
 12 **governing body must ensure that a charter school that has notified**
 13 **the governing body in writing of its interest in locating the charter**
 14 **school on the redeveloped site is provided adequate facilities on the**
 15 **redeveloped site.**

16 **(c) In the event that a charter school does not enter into a lease**
 17 **for the appropriate facilities as part of the initial development of**
 18 **the school building parcel, this section shall no longer be binding**
 19 **on the school corporation or the purchaser of the property, which**
 20 **shall not be required to make the space available for use by**
 21 **another charter school.**

22 **Sec. 9. If a school corporation does not comply with the**
 23 **requirements provided in this chapter, the school corporation shall**
 24 **submit any proceeds from the sale of the vacant school building to**
 25 **the state board to provide grants under the charter school and**
 26 **innovation grant program under IC 20-24-13.**

27 SECTION 15. IC 20-26-16-1, AS ADDED BY P.L.132-2007,
 28 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JULY 1, 2019]: Sec. 1. This chapter applies to a school corporation,
 30 including a school city (as defined in IC 20-25-2-12) **and a charter**
 31 **school.**

32 SECTION 16. IC 20-26-16-2, AS ADDED BY P.L.132-2007,
 33 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 JULY 1, 2019]: Sec. 2. The governing body of a school corporation **or**
 35 **charter school** may establish a school corporation **or charter school**
 36 police department under this chapter.

37 SECTION 17. IC 20-26-16-3, AS ADDED BY P.L.132-2007,
 38 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JULY 1, 2019]: Sec. 3. The governing body of a school corporation **or**
 40 **the equivalent for a charter school** may do the following for the
 41 school corporation **or charter school** police department:

42 (1) Appoint school corporation **or charter school** police officers.



- 1 (2) Prescribe the duties and direct the conduct of school
 2 corporation **or charter school** police officers.
 3 (3) Prescribe distinctive uniforms.
 4 (4) Provide emergency vehicles.
- 5 SECTION 18. IC 20-26-16-4, AS ADDED BY P.L.132-2007,
 6 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 2019]: Sec. 4. An individual appointed as a school corporation
 8 **or charter school** police officer must successfully complete at least:
 9 (1) the pre-basic training course established under IC 5-2-1-9(f);
 10 and
 11 (2) the minimum basic training and educational requirements
 12 adopted by the law enforcement training board under IC 5-2-1-9
 13 as necessary for employment as a law enforcement officer.
- 14 SECTION 19. IC 20-26-16-5, AS ADDED BY P.L.132-2007,
 15 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JULY 1, 2019]: Sec. 5. (a) Notwithstanding section 4 of this chapter
 17 and IC 5-2-1-9, an individual appointed as a school corporation police
 18 officer before July 1, 2007, must complete, not later than July 1, 2010,
 19 at least:
 20 (1) the pre-basic training course established under IC 5-2-1-9(f);
 21 and
 22 (2) the minimum basic training and educational requirements
 23 adopted by the law enforcement training board under IC 5-2-1-9
 24 as necessary for employment as a law enforcement officer.
 25 (b) As set forth in IC 5-2-1-9, an individual appointed as a school
 26 corporation **or charter school** police officer may not:
 27 (1) make an arrest;
 28 (2) conduct a search or a seizure of a person or property; or
 29 (3) carry a firearm;
 30 unless the school corporation **or charter school** police officer
 31 successfully completes a pre-basic training course under IC 5-2-1-9(f).
- 32 SECTION 20. IC 20-26-16-6, AS ADDED BY P.L.132-2007,
 33 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 JULY 1, 2019]: Sec. 6. (a) A school corporation **or charter school**
 35 police officer appointed under this chapter:
 36 (1) is a law enforcement officer (as defined in IC 5-2-1-2(1));
 37 (2) must take an appropriate oath of office in a form and manner
 38 prescribed by the governing body **or the equivalent for a charter**
 39 **school;**
 40 (3) serves at the governing body's (**or the equivalent for a**
 41 **charter school**) pleasure; and
 42 (4) performs the duties that the governing body **or the equivalent**



- 1 **for a charter school** assigns.
- 2 (b) School corporation **or charter school** police officers appointed
- 3 under this chapter have general police powers, including the power to
- 4 arrest, without process, all persons who within their view commit any
- 5 offense. They have the same common law and statutory powers,
- 6 privileges, and immunities as sheriffs and constables, except that they
- 7 are empowered to serve civil process only to the extent authorized by
- 8 the employing governing body **or the equivalent for a school**
- 9 **corporation**; however, any powers may be expressly forbidden them
- 10 by the governing body **(or the equivalent for a charter school)**
- 11 employing them. In addition to any other powers or duties, such police
- 12 officers shall enforce and assist the educators and administrators of
- 13 their school corporation **or charter school** in the enforcement of the
- 14 rules and regulations of the school corporation **or charter school** and
- 15 assist and cooperate with other law enforcement agencies and officers.
- 16 (c) Such police officers may exercise the powers granted under this
- 17 section only upon any property owned, leased, or occupied by the
- 18 school corporation **or charter school**, including the streets passing
- 19 through and adjacent to the property. Additional jurisdiction may be
- 20 established by agreement with the chief of police of the municipality
- 21 or sheriff of the county or the appropriate law enforcement agency
- 22 where the property is located, dependent upon the jurisdiction
- 23 involved.
- 24 SECTION 21. IC 20-27-9-2, AS ADDED BY P.L.1-2005,
- 25 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 26 JULY 1, 2019]: Sec. 2. The governing body of a school corporation
- 27 may allow, by written authorization, the use of a school bus **or a**
- 28 **special purpose bus** for the transportation of adults at least sixty-five
- 29 (65) years of age **or disabled adults**.
- 30 SECTION 22. IC 20-27-9-5, AS AMENDED BY P.L.228-2017,
- 31 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 32 JULY 1, 2019]: Sec. 5. (a) A special purpose bus may be used:
- 33 (1) by a school corporation to provide regular transportation of a
- 34 student between one (1) school and another school but not
- 35 between the student's residence and the school;
- 36 (2) to transport students and their supervisors, including coaches,
- 37 managers, and sponsors to athletic or other extracurricular school
- 38 activities and field trips;
- 39 (3) by a school corporation to provide transportation between an
- 40 individual's residence and the school for an individual enrolled in
- 41 a special program for the habilitation or rehabilitation of persons
- 42 with a developmental or physical disability, and, if applicable, the



- 1 individual's sibling; ~~and~~
 2 (4) to transport homeless students under IC 20-27-12; **and**
 3 **(5) to transport adults under section 2 of this chapter.**
 4 (b) The mileage limitation of section 3 of this chapter does not apply
 5 to special purpose buses.
 6 (c) The operator of a special purpose bus must be at least
 7 twenty-one (21) years of age, be authorized by the school corporation,
 8 and meet the following requirements:
 9 (1) If the special purpose bus has a capacity of less than sixteen
 10 (16) passengers, the operator must hold a valid:
 11 (A) operator's;
 12 (B) chauffeur's;
 13 (C) public passenger chauffeur's; or
 14 (D) commercial driver's;
 15 license.
 16 (2) If the special purpose bus has a capacity of more than fifteen
 17 (15) passengers, the operator must meet the requirements for a
 18 school bus driver set out in IC 20-27-8.
 19 (d) A special purpose bus is not required to be constructed,
 20 equipped, or painted as specified for school buses under this article or
 21 by the rules of the committee.
 22 (e) An owner or operator of a special purpose bus, other than a
 23 special purpose bus owned or operated by a school corporation or a
 24 nonpublic school, is subject to IC 8-2.1.
 25 SECTION 23. IC 20-31-9-9, AS ADDED BY P.L.33-2014,
 26 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 UPON PASSAGE]: Sec. 9. (a) Not later than December 31 of the fifth
 28 year of an intervention under this chapter, the state board shall take one
 29 (1) of the following actions:
 30 (1) Return the school to the school corporation for operation.
 31 (2) Direct the special management team to apply to a charter
 32 school authorizer for charter school status for the school.
 33 (3) Implement a new intervention under section 4(b) of this
 34 chapter.
 35 (b) In making a determination under this section, the state board
 36 may consider all relevant factors, including the overall performance of
 37 the school corporation and the special management team.
 38 (c) Before making a final determination to take an action under
 39 subsection (a), the state board shall hold at least one (1) public hearing
 40 in the school corporation in which the school is located during the fall
 41 semester of the fifth year of an intervention to consider and hear
 42 testimony.



1 (d) If the state board directs the special management team to apply
 2 for charter school status under subsection (a)(2), the school is entitled
 3 to continue to use the school's facilities in the same manner as a charter
 4 school that acquires school facilities under ~~IC 20-26-7-1~~ **IC 20-26-7.1**
 5 is entitled to use school facilities.

6 **(e) If the state board directs the special management team to**
 7 **apply for charter school status under subsection (a)(2), the state**
 8 **board shall notify the charter school authorizer selected for**
 9 **application by the special management team of the state board's**
 10 **decision to direct the school to apply for charter status.**

11 SECTION 24. IC 20-35-3-1, AS AMENDED BY P.L.2-2007,
 12 SECTION 232, IS AMENDED TO READ AS FOLLOWS
 13 [EFFECTIVE JULY 1, 2019]: Sec. 1. (a) The state superintendent shall
 14 appoint a state advisory council on the education of children with
 15 disabilities. The state advisory council's duties consist of providing
 16 policy guidance concerning special education and related services for
 17 children with disabilities. The state superintendent shall appoint at least
 18 seventeen (17) members who serve for a term of four (4) years.
 19 Vacancies shall be filled in the same manner for the unexpired balance
 20 of the term.

21 (b) The members of the state advisory council must be:

- 22 (1) citizens of Indiana;
- 23 (2) representative of the state's population; and
- 24 (3) selected on the basis of their involvement in or concern with
- 25 the education of children with disabilities.

26 (c) A majority of the members of the state advisory council must be
 27 individuals with disabilities or the parents of children with disabilities.
 28 Members must include the following:

- 29 (1) Parents of children with disabilities.
- 30 (2) Individuals with disabilities.
- 31 (3) Teachers.
- 32 (4) Representatives of postsecondary educational institutions that
- 33 prepare special education and related services personnel.
- 34 (5) State and local education officials.
- 35 (6) Administrators of programs for children with disabilities.
- 36 (7) Representatives of state agencies involved in the financing or
- 37 delivery of related services to children with disabilities, including
- 38 the following:

39 (A) The commissioner of the state department of health or the
 40 commissioner's designee.

41 (B) The director of the division of disability and rehabilitative
 42 services or the director's designee.



- 1 (C) The director of the division of mental health and addiction
 2 or the director's designee.
 3 (D) The director of the department of child services or the
 4 director's designee.
 5 (8) Representatives of nonpublic schools and freeway schools.
 6 (9) One (1) or more representatives of vocational, community, or
 7 business organizations concerned with the provision of
 8 transitional services to children with disabilities.
 9 (10) Representatives of the department of correction.
 10 (11) A representative from each of the following:
 11 (A) The Indiana School for the Blind and Visually Impaired
 12 board.
 13 (B) The Indiana School for the Deaf board.
 14 **(12) A representative from the Arc of Indiana.**
 15 (d) The responsibilities of the state advisory council are as follows:
 16 (1) To advise the state superintendent and the state board
 17 regarding all rules pertaining to children with disabilities.
 18 (2) To recommend approval or rejection of completed
 19 comprehensive plans submitted by school corporations acting
 20 individually or on a joint school services program basis with other
 21 corporations.
 22 (3) To advise the department of unmet needs within Indiana in the
 23 education of children with disabilities.
 24 (4) To provide public comment on rules proposed by the state
 25 board regarding the education of children with disabilities.
 26 (5) To advise the department in developing evaluations and
 27 reporting data to the United States Secretary of Education under
 28 20 U.S.C. 1418.
 29 (6) To advise the department in developing corrective action
 30 plans to address findings identified in federal monitoring reports
 31 under 20 U.S.C. 1400 et seq.
 32 (7) To advise the department in developing and implementing
 33 policies related to the coordination of services for children with
 34 disabilities.
 35 (e) The state advisory council shall do the following:
 36 (1) Organize with a chairperson selected by the state
 37 superintendent.
 38 (2) Meet as often as necessary to conduct the council's business
 39 at the call of the chairperson, upon ten (10) days written notice,
 40 but not less than four (4) times a year.
 41 (f) Members of the state advisory council are entitled to reasonable
 42 amounts for expenses necessarily incurred in the performance of their



1 duties.

2 (g) The state superintendent shall do the following:

3 (1) Designate the director to act as executive secretary of the state
4 advisory council.

5 (2) Furnish all professional and clerical assistance necessary for
6 the performance of the state advisory council's powers and duties.

7 (h) The affirmative votes of a majority of the members appointed to
8 the state advisory council are required for the state advisory council to
9 take action.

10 SECTION 25. IC 36-1-11-1, AS AMENDED BY P.L.286-2013,
11 SECTION 128, IS AMENDED TO READ AS FOLLOWS
12 [EFFECTIVE JULY 1, 2019]: Sec. 1. (a) Except as provided in
13 subsection (b), this chapter applies to the disposal of property by:

14 (1) political subdivisions; and

15 (2) agencies of political subdivisions.

16 (b) This chapter does not apply to the following:

17 (1) The disposal of property under an urban homesteading
18 program under IC 36-7-17 or IC 36-7-17.1.

19 (2) The lease of school buildings under IC 20-47.

20 (3) The sale of land to a lessor in a lease-purchase contract under
21 IC 36-1-10.

22 (4) The disposal of property by a redevelopment commission
23 established under IC 36-7.

24 (5) The leasing of property by a board of aviation commissioners
25 established under IC 8-22-2 or an airport authority established
26 under IC 8-22-3.

27 (6) The disposal of a municipally owned utility under IC 8-1.5.

28 (7) **Except as provided in sections 5.5 and 5.6 of this chapter,**
29 the sale or lease of property by a unit to an Indiana nonprofit
30 corporation organized for educational, literary, scientific,
31 religious, or charitable purposes that is exempt from federal
32 income taxation under Section 501 of the Internal Revenue Code
33 or the sale or reletting of that property by the nonprofit
34 corporation.

35 (8) The disposal of surplus property by a hospital established and
36 operated under IC 16-22-1 through IC 16-22-5, IC 16-22-8,
37 IC 16-23-1, or IC 16-24-1.

38 (9) The sale or lease of property acquired under IC 36-7-13 for
39 industrial development.

40 (10) The sale, lease, or disposal of property by a local hospital
41 authority under IC 5-1-4.

42 (11) The sale or other disposition of property by a county or



- 1 municipality to finance housing under IC 5-20-2.
 2 (12) The disposition of property by a soil and water conservation
 3 district under IC 14-32.
 4 (13) The sale, lease, or disposal of property by the health and
 5 hospital corporation established and operated under IC 16-22-8.
 6 (14) The disposal of personal property by a library board under
 7 IC 36-12-3-5(c).
 8 (15) The sale or disposal of property by the historic preservation
 9 commission under IC 36-7-11.1.
 10 (16) The disposal of an interest in property by a housing authority
 11 under IC 36-7-18.
 12 (17) The disposal of property under IC 36-9-37-26.
 13 (18) The disposal of property used for park purposes under
 14 IC 36-10-7-8.
 15 (19) The disposal of curricular materials that will no longer be
 16 used by school corporations under IC 20-26-12.
 17 (20) The disposal of residential structures or improvements by a
 18 municipal corporation without consideration to:
 19 (A) a governmental entity; or
 20 (B) a nonprofit corporation that is organized to expand the
 21 supply or sustain the existing supply of good quality,
 22 affordable housing for residents of Indiana having low or
 23 moderate incomes.
 24 (21) The disposal of historic property without consideration to a
 25 nonprofit corporation whose charter or articles of incorporation
 26 allows the corporation to take action for the preservation of
 27 historic property. As used in this subdivision, "historic property"
 28 means property that is:
 29 (A) listed on the National Register of Historic Places; or
 30 (B) eligible for listing on the National Register of Historic
 31 Places, as determined by the division of historic preservation
 32 and archeology of the department of natural resources.
 33 (22) The disposal of real property without consideration to:
 34 (A) a governmental agency; or
 35 (B) a nonprofit corporation that exists for the primary purpose
 36 of enhancing the environment;
 37 when the property is to be used for compliance with a permit or
 38 an order issued by a federal or state regulatory agency to mitigate
 39 an adverse environmental impact.
 40 (23) The disposal of property to a person under an agreement
 41 between the person and a political subdivision or an agency of a
 42 political subdivision under IC 5-23.



1 (24) The disposal of residential real property pursuant to a federal
2 aviation regulation (14 CFR 150) Airport Noise Compatibility
3 Planning Program as approved by the Federal Aviation
4 Administration.
5 SECTION 26. [EFFECTIVE UPON PASSAGE] (a) **IC 20-26-7.1,**
6 **as added by this act, applies to a school building that:**
7 **(1) was included on the list compiled by the department of**
8 **education under IC 20-26-7-1(f), before the amendment of**
9 **IC 20-26-7-1 by this act; or**
10 **(2) was required to be added to the list not later than August**
11 **1, 2019, under IC 20-26-7-1(f), before the amendment of**
12 **IC 20-26-7-1 by this act.**
13 **(b) This SECTION expires July 1, 2024.**
14 SECTION 27. **An emergency is declared for this act.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1641, 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 4, line 11, strike "and".

Page 4, line 16, delete "." and insert "; and".

Page 4, between lines 16 and 17, begin a new line block indented and insert:

"(6) allow each student who attends a charter school that is co-located with the charter school to receive preference for admission to the charter school if the preference is specifically provided for in the charter school's charter and is approved by the charter school's authorizer."

Page 4, delete lines 41 through 42.

Page 5, delete lines 1 through 21.

Page 13, between lines 17 and 18, begin a new paragraph and insert:

"SECTION 11. IC 20-26-5-32.2, AS AMENDED BY P.L.6-2012, SECTION 132, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 32.2. (a) Notwithstanding IC 22-2-5-1, a school corporation, **educational service center**, or charter school and:

- (1) an employee if there is no representative described under subdivision (2) or (3) for that employee;
- (2) the exclusive representative of its certificated employees with respect to those employees; or
- (3) a labor organization representing its noncertificated employees with respect to those employees;

may agree in writing to a wage payment arrangement.

(b) A wage payment arrangement under subsection (a) may provide that compensation earned during a school year may be paid:

- (1) using equal installments or any other method; and
- (2) over:

(A) all or part of that school year; or

(B) any other period that begins not earlier than the first day of that school year and ends not later than thirteen (13) months after the wage payment arrangement period begins.

Such an arrangement may provide that compensation earned in a calendar year is paid in the next calendar year, so long as all the compensation is paid within the thirteen (13) month period beginning with the first day of the school year.



(c) A wage payment arrangement under subsection (a) must be structured in such a manner so that it is not considered:

- (1) a nonqualified deferred compensation plan for purposes of Section 409A of the Internal Revenue Code; or
- (2) deferred compensation for purposes of Section 457(f) of the Internal Revenue Code.

(d) Absent an agreement under subsection (a), a school corporation, **educational service center**, or charter school remains subject to IC 22-2-5-1.

(e) Wage payments required under a wage payment arrangement entered into under subsection (a) are enforceable under IC 22-2-5-2.

(f) If an employee leaves employment for any reason, either permanently or temporarily, the amount due the employee under IC 22-2-5-1 and IC 22-2-9-2 is the total amount of wages earned and unpaid. If the employment relationship ends at the conclusion of a school year, the school corporation, **educational service center**, or charter school may pay the employee the remaining wages owed as provided in the written wage payment arrangement.

(g) Employment with a school corporation, **educational service center**, or charter school may not be conditioned upon the acceptance of a wage payment arrangement under subsection (a).

(h) An employee may revoke a wage payment arrangement under subsection (a) at the beginning of each school year.

(i) A wage payment arrangement under this chapter may not contain any terms beyond those permitted to be bargained under IC 20-29-6-4."

Page 13, line 34, after "not" insert "**enter into a lease agreement or**".

Page 17, delete lines 7 through 42, begin a new paragraph and insert:

"SECTION 12. IC 20-26-7.1 IS ADDED TO THE INDIANA CODE AS A **NEW CHAPTER** TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]:

Chapter 7.1. Transfers of Vacant School Buildings to Charter Schools or Neighboring School Corporations.

Sec. 1. This chapter does not apply to a school building that on July 1, 2011, is leased or loaned by the school corporation that owns the school building to another entity, if the entity is not a building corporation or other entity that is related in any way to, or created by, the school corporation or the governing body.

Sec. 2. The following definitions apply throughout this chapter:

- (1) "Charter school" has the meaning set forth in IC 20-24-1-4



and includes an entity that has filed an application with an authorizer and is seeking approval from the authorizer to operate a charter school under IC 20-24-3.

(2) "Neighboring school corporation" refers to a school corporation that shares a common boundary with the school corporation that owns a vacant or unused school building under this chapter.

Sec. 3. (a) Before a governing body may sell or exchange a building described in this section in accordance with IC 20-25-4-14, IC 20-26-5-4(7), or IC 20-26-7-1, and except as provided in subsections (b), (c), and (d), a governing body shall make available for lease or purchase to any charter school or neighboring school corporation any school building owned by the school corporation or any other entity that is related in any way to, or created by, the school corporation or the governing body, including but not limited to a building corporation, that:

(1) is not used in whole or in part for classroom instruction at the time the charter school or neighboring school corporation seeks to lease the building; and

(2) was previously used for classroom instruction;

in order for the charter school or neighboring school corporation to conduct classroom instruction.

(b) The following are not required to comply with the requirements provided in section 4 of this chapter:

(1) A governing body that vacates a school building in order to renovate or demolish the school building and build a new school building on the same site as the demolished building.

(2) An emergency manager of a distressed school corporation under IC 6-1.1-20.3.

(3) The governing body of the School City of East Chicago school corporation for the Carrie Gosch Elementary School building.

(c) Notwithstanding subsection (a), a lease entered into by a governing body under IC 20-26-5-4(7) prior to July 1, 2019, with an accredited nonpublic school shall remain in full force and effect. In addition, the governing body may, during or at the expiration of the term of such lease, sell the school building leased under IC 20-26-5-4(7) to the nonpublic school at a purchase price mutually agreed to by the governing body and the nonpublic school.

(d) This subsection applies to a vacant or unused school building with more than two hundred fifty thousand (250,000) gross square



feet. A school corporation shall make appropriate space available as part of the school corporation's disposition of the school building, or to cause the acquirer of the school building to make appropriate space available as part of the acquirer's initial development of the school building site, for lease by the charter school or neighboring school corporation on the real estate occupied by the unused or vacant school building at fifty percent (50%) or less than the current market rate for similar property. In the event that the charter school or neighboring school corporation does not enter into a lease for the appropriate space as part of the initial development of the school building parcel, the school corporation or the acquirer of the school building is not required to make the space available for use by another charter school or neighboring school corporation.

Sec. 4. (a) Not later than ten (10) days after passing a resolution or taking other official action to close, no longer use, or no longer occupy a school building that was previously used for classroom instruction, the governing body shall:

- (1) notify the department of the official action and the effective date that the school building will be closed, no longer used, or no longer occupied;
- (2) make the school building available for inspection by a charter school or neighboring school corporation that notifies the department that it is interested in leasing or purchasing the school building described under section 3 of this chapter; and
- (3) make the following information available to a charter school or neighboring school corporation described in subdivision (2):
 - (A) Estimates of the operating expenses for the school building for the past three (3) years.
 - (B) Written information regarding the condition of the building, including the age of the roof and the HVAC system, and any known conditions which, in the governing body's opinion, require prompt repair or replacement.
 - (C) A description of the property as shown on the current tax statement.

(b) Within five (5) days of receiving notice under subsection (a)(1), the department shall provide written notification to each neighboring school corporation, each charter school authorizer (excluding school corporation authorizers as defined in IC 20-24-1-2.5(1)), and statewide organizations representing



charter schools in Indiana of the school corporation's resolution or official action described in subsection (a), including the date when the school building will close, no longer be used, or become vacant.

(c) A charter school or neighboring school corporation may lease the school building for one dollar (\$1) per year for as long as the charter school or neighboring school corporation uses the school building for classroom instruction or for a term at the neighboring school corporation or charter school's discretion, or purchase the school building from the school corporation for one dollar (\$1), if the charter school or neighboring school corporation does the following:

(1) Within thirty (30) days of receiving the department's notice under subsection (b), a charter school or neighboring school corporation must submit a preliminary request to purchase or lease the school building.

(2) Subject to subsection (d), within ninety (90) days of receiving the department's notice under subsection (b), a charter school or neighboring school corporation must submit to the school corporation the following information:

(A) The name of the charter school or neighboring school corporation that is interested in leasing or purchasing the vacant or unused school building.

(B) A time frame, which may not exceed two (2) years from the date that the school building is to be closed, no longer used, or no longer occupied, in which the charter school or neighboring school corporation intends to begin providing classroom instruction in the vacant or unused school building.

(C) A resolution, adopted by the board of the charter school or a resolution of the governing body of a neighboring school corporation stating that the board has determined that, after the charter school or neighboring school corporation has made any necessary repairs or modifications, the school building will be sufficient to meet the neighboring school corporation or charter school's needs and can be operated within the neighboring school corporation or charter school's budget.

(D) This clause applies to a vacant or unused school building with more than two hundred fifty thousand (250,000) gross square feet. In addition to the information provided in clauses (A) through (C), a charter school shall submit the following:



(i) The charter school's projected enrollment when all of the grade levels are added.

(ii) A letter from the charter school's authorizer or prospective authorizer that indicates that the charter school's authorizer or prospective authorizer has reviewed the items described in clauses (B) through (D) and that the projected enrollment of the charter school when all of the grade levels are added or fully implemented will be fifty percent (50%) or greater than the capacity of the school building as validated by the state fire marshal.

(d) If the department does not receive any preliminary requests to purchase or lease a school building within the time frame described in subsection (c)(1) and except as provided in section 7 of this chapter, the department shall send notification to the school corporation that the department has not received any preliminary requests to purchase or lease the school building. Upon receipt of the notification under this subsection, the school corporation may sell or otherwise dispose of the school building in accordance with IC 36-1-11.

(e) In the event that two (2) or more charter schools submit a preliminary request to purchase or lease a charter school within the time frame described in subsection (c)(1), the department shall send notification to an authorizer described in IC 20-24-1-2.5(3) and each statewide charter school authorizer and statewide organization representing charter schools in Indiana (excluding school corporation authorizers as defined in IC 20-24-1-2.5(1)) and the school corporation that the department has received two (2) or more preliminary requests under this section. An authorizer committee shall be established, with each statewide authorizer appointing a representative, with the committee to establish the chair person, and procedures for the committee. Within sixty (60) days of receiving notice under this subsection, the committee shall select which charter school may proceed to purchase or lease the school building or determine if two (2) or more charter schools should co-locate within the school building. In the event that the committee determines that two (2) or more charter schools should co-locate in the school building, the charter school or charter schools have sixty (60) days to submit a memorandum of understanding stating that the charter schools shall be jointly and severally liable for the obligations related to the sale or lease of the school building, and specifying how the charter schools will utilize



the school building and share responsibility for operational, maintenance, and renovation expenses.

(f) A school corporation shall lease the school building for one dollar (\$1) per year for as long as the charter school or neighboring school corporation uses the school building for classroom instruction or for a term at the neighboring school corporation or charter school's discretion, or sell the school building to the charter school or neighboring school corporation for one dollar (\$1), if the charter school or neighboring school corporation has met the requirements set forth in subsection (c). If a charter school or neighboring school corporation has not met the requirements under subsection (c), the school corporation may, subject to section 7 of this chapter, sell or otherwise dispose of the school building in accordance with IC 36-1-11.

Sec. 5. (a) If a school building is sold to a charter school or neighboring school corporation under section 4 of this chapter and the neighboring school corporation, charter school, or any entity related to the neighboring school corporation or charter school subsequently sells or transfers the school building to a third party, the charter school, neighboring school corporation, or related entity must transfer an amount equal to the gain in the property minus the adjusted basis (including costs of improvements to the school building) to the school corporation that initially sold the vacant school building to the charter school. Gain and adjusted basis shall be determined in the manner prescribed by the Internal Revenue Code and the applicable Internal Revenue Service regulations and guidelines.

(b) In the event a charter school or neighboring school corporation does not use the school building for classroom instruction within two (2) years after acquiring the school building, the school building shall revert to the school corporation, which may sell or otherwise dispose of the school building under IC 36-1-11.

Sec. 6. During the term of a lease under section 4 of this chapter, the charter school or neighboring school corporation is responsible for the direct expenses related to the school building leased, including utilities, insurance, maintenance, repairs, and remodeling. The school corporation is responsible for any debt incurred for or liens that attached to the school building before the charter school or neighboring school corporation leased the school building.

Sec. 7. Notwithstanding IC 36-1-11, if the school corporation



does receive notification from the department that the department has not received any preliminary requests to purchase or lease a vacant or unused school building under section 4(c)(1) of this chapter or a charter school or neighboring school corporation has not met the requirements under section 4(c)(2) or 4(e) of this chapter, the school corporation must sell a vacant school building to a nonpublic school, postsecondary educational institution, or nonprofit organization that sends a letter of intent to the school corporation to purchase the vacant or unused school building for an amount not more than the fair market value of the vacant or unused school building determined in accordance with IC 36-1-11. The nonpublic school, postsecondary educational institution, or nonprofit organization must submit its letter of intent to purchase the school building within thirty (30) days of the date the school corporation passing a resolution or taking other official action to close, no longer use, or no longer occupy a school building that was previously used for classroom instruction. However, in the event that a charter school or neighboring school corporation has submitted a preliminary request to purchase or lease a school building, the nonpublic school, postsecondary educational institution, or nonprofit organization may send a letter of intent to purchase or lease the school building within ninety (90) days of the date that the school corporation passed a resolution or took official action to close, no longer use, or no longer occupy a school building.

Sec. 8. If a school corporation does not comply with the requirements provided in this chapter, the school corporation shall submit any proceeds from the sale of the vacant school building to the state board to provide grants under the charter school and innovation grant program under IC 20-24-13."

Delete pages 18 through 20.

Page 21, delete lines 1 through 19.

Page 21, between lines 19 and 20, begin a new paragraph and insert:
"SECTION 13. IC 20-26-16-1, AS ADDED BY P.L.132-2007, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 1. This chapter applies to a school corporation, including a school city (as defined in IC 20-25-2-12) and a charter school.

SECTION 14. IC 20-26-16-2, AS ADDED BY P.L.132-2007, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 2. The governing body of a school corporation or charter school may establish a school corporation or charter school



police department under this chapter.

SECTION 15. IC 20-26-16-3, AS ADDED BY P.L.132-2007, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 3. The governing body of a school corporation **or the equivalent for a charter school** may do the following for the school corporation **or charter school** police department:

- (1) Appoint school corporation **or charter school** police officers.
- (2) Prescribe the duties and direct the conduct of school corporation **or charter school** police officers.
- (3) Prescribe distinctive uniforms.
- (4) Provide emergency vehicles.

SECTION 16. IC 20-26-16-4, AS ADDED BY P.L.132-2007, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 4. An individual appointed as a school corporation **or charter school** police officer must successfully complete at least:

- (1) the pre-basic training course established under IC 5-2-1-9(f); and
- (2) the minimum basic training and educational requirements adopted by the law enforcement training board under IC 5-2-1-9 as necessary for employment as a law enforcement officer.

SECTION 17. IC 20-26-16-5, AS ADDED BY P.L.132-2007, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 5. (a) Notwithstanding section 4 of this chapter and IC 5-2-1-9, an individual appointed as a school corporation police officer before July 1, 2007, must complete, not later than July 1, 2010, at least:

- (1) the pre-basic training course established under IC 5-2-1-9(f); and
- (2) the minimum basic training and educational requirements adopted by the law enforcement training board under IC 5-2-1-9 as necessary for employment as a law enforcement officer.

(b) As set forth in IC 5-2-1-9, an individual appointed as a school corporation **or charter school** police officer may not:

- (1) make an arrest;
- (2) conduct a search or a seizure of a person or property; or
- (3) carry a firearm;

unless the school corporation **or charter school** police officer successfully completes a pre-basic training course under IC 5-2-1-9(f).

SECTION 18. IC 20-26-16-6, AS ADDED BY P.L.132-2007, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 6. (a) A school corporation **or charter school** police officer appointed under this chapter:



- (1) is a law enforcement officer (as defined in IC 5-2-1-2(1));
- (2) must take an appropriate oath of office in a form and manner prescribed by the governing body **or the equivalent for a charter school**;
- (3) serves at the governing body's (**or the equivalent for a charter school**) pleasure; and
- (4) performs the duties that the governing body **or the equivalent for a charter school** assigns.

(b) School corporation **or charter school** police officers appointed under this chapter have general police powers, including the power to arrest, without process, all persons who within their view commit any offense. They have the same common law and statutory powers, privileges, and immunities as sheriffs and constables, except that they are empowered to serve civil process only to the extent authorized by the employing governing body **or the equivalent for a school corporation**; however, any powers may be expressly forbidden them by the governing body (**or the equivalent for a charter school**) employing them. In addition to any other powers or duties, such police officers shall enforce and assist the educators and administrators of their school corporation **or charter school** in the enforcement of the rules and regulations of the school corporation **or charter school** and assist and cooperate with other law enforcement agencies and officers.

(c) Such police officers may exercise the powers granted under this section only upon any property owned, leased, or occupied by the school corporation **or charter school**, including the streets passing through and adjacent to the property. Additional jurisdiction may be established by agreement with the chief of police of the municipality or sheriff of the county or the appropriate law enforcement agency where the property is located, dependent upon the jurisdiction involved.

SECTION 19. IC 20-27-9-2, AS ADDED BY P.L.1-2005, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 2. The governing body of a school corporation may allow, by written authorization, the use of a school bus **or a special purpose bus** for the transportation of adults at least sixty-five (65) years of age **or disabled adults**.

SECTION 14. IC 20-27-9-5, AS AMENDED BY P.L.228-2017, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 5. (a) A special purpose bus may be used:

- (1) by a school corporation to provide regular transportation of a student between one (1) school and another school but not between the student's residence and the school;



(2) to transport students and their supervisors, including coaches, managers, and sponsors to athletic or other extracurricular school activities and field trips;

(3) by a school corporation to provide transportation between an individual's residence and the school for an individual enrolled in a special program for the habilitation or rehabilitation of persons with a developmental or physical disability, and, if applicable, the individual's sibling; ~~and~~

(4) to transport homeless students under IC 20-27-12; **and**

(5) to transport adults under section 2 of this chapter.

(b) The mileage limitation of section 3 of this chapter does not apply to special purpose buses.

(c) The operator of a special purpose bus must be at least twenty-one (21) years of age, be authorized by the school corporation, and meet the following requirements:

(1) If the special purpose bus has a capacity of less than sixteen (16) passengers, the operator must hold a valid:

- (A) operator's;
- (B) chauffeur's;
- (C) public passenger chauffeur's; or
- (D) commercial driver's;

license.

(2) If the special purpose bus has a capacity of more than fifteen (15) passengers, the operator must meet the requirements for a school bus driver set out in IC 20-27-8.

(d) A special purpose bus is not required to be constructed, equipped, or painted as specified for school buses under this article or by the rules of the committee.

(e) An owner or operator of a special purpose bus, other than a special purpose bus owned or operated by a school corporation or a nonpublic school, is subject to IC 8-2.1."

Page 23, delete line 42.

Delete pages 24 through 26.

Page 27, delete lines 1 through 31.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1641 as introduced.)

BEHNING

Committee Vote: yeas 9, nays 4.

EH 1641—LS 7242/DI 116



HOUSE MOTION

Mr. Speaker: I move that House Bill 1641 be amended to read as follows:

Page 18, line 30, after "conduct" insert "**kindergarten through grade 12**".

Page 22, line 14, delete "or" and insert "**for any combination of kindergarten through grade 12**".

Page 22, line 18, delete "(c)." and insert "**(c) and uses the vacant or unused school building to provide classroom instruction to students in any combination of kindergarten through grade 12.**".

Page 22, line 36, after "(b)" insert "**A charter school or neighboring school corporation that purchases a school building assumes total control of the school building and must ensure that the charter school or neighboring school corporation maintains the school building, including utilities, insurance, maintenance, and repairs.**".

(Reference is to HB 1641 as printed February 12, 2019.)

BEHNING

 HOUSE MOTION

Mr. Speaker: I move that House Bill 1641 be amended to read as follows:

Page 3, between lines 19 and 20, begin a new paragraph and insert: "SECTION 3. IC 20-24-4-1, AS AMENDED BY P.L.192-2018, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: 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)~~ **five (5)** years; and
 - (B) a fixed number of years agreed to by the authorizer and the organizer.
- (6) Provide for the following:

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- (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 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 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 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 statewide assessment



program measures;

(ii) attendance rates;

(iii) graduation rates (if appropriate);

(iv) increased numbers of Indiana diplomas with a Core 40 designation 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 Indiana diplomas with Core 40 with academic honors and technical honors designations (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."

Renumber all SECTIONS consecutively.

(Reference is to HB 1641 as printed February 12, 2019.)

SMITH V

COMMITTEE REPORT

Madam President: The Senate Committee on Education and Career Development, to which was referred House Bill No. 1641, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Replace the effective date in SECTION 1 with "[EFFECTIVE UPON PASSAGE]".

Replace the effective dates in SECTIONS 5 through 10 with "[EFFECTIVE UPON PASSAGE]".

Replace the effective date in SECTION 12 with "[EFFECTIVE UPON PASSAGE]".

EH 1641—LS 7242/DI 116



Replace the effective date in SECTION 22 with "[EFFECTIVE UPON PASSAGE]".

Page 2, between lines 13 and 14, begin a new paragraph and insert:
"SECTION 2. IC 20-23-5.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]:

Chapter 5.5. Pilot Program for Annexation and Disannexation of a Township

Sec. 0.5. (a) A two (2) year pilot program is established to monitor, measure, and gather data concerning the financial impacts, including on transportation costs, of the disannexation of a territory from a relinquishing school corporation to an acquiring school corporation. The state board shall administer the pilot program.

(b) A disannexation under the pilot program may be initiated under section 9(a)(2) of this chapter only by the fiscal body and township executive of Greene Township, in St. Joseph County.

Sec. 1. (a) A disannexation may not occur under the pilot program if any of the following apply on the date a resolution is adopted under section 9 of this chapter:

(1) A building is located within the territory proposed to be disannexed that is being used as a school by the relinquishing school corporation.

(2) A building is located within the territory proposed to be disannexed on which there is bond indebtedness owed by the relinquishing school corporation.

(3) A building is located within the territory proposed to be disannexed that is the subject of a lease entered into by the relinquishing school corporation before April 15, 2019, to allow the relinquishing school corporation to use the building as a school.

(b) This chapter does not limit the ability of a school corporation to proceed in an annexation under IC 20-23-5.

Sec. 2. As used in this chapter, "acquiring school corporation" means a school corporation that acquires territory as a result of disannexation under the pilot program established by section 0.5 of this chapter.

Sec. 3. As used in this chapter, "annex", "annexing", "annexation", and "school annexation" mean any action whereby the boundaries of an acquiring school corporation are changed so that additional territory, constituting all or part of any one (1) or more relinquishing school corporations, is transferred to the



acquiring school corporation under the pilot program established by section 0.5 of this chapter.

Sec. 4. As used in this chapter, "disannex", "disannexing", "disannexation", and "school disannexation" mean any action whereby:

- (1) the boundaries of a school corporation are changed by removing territory from a relinquishing school corporation; and
- (2) the territory is transferred to an acquiring school corporation by annexation;

under the pilot program established by section 0.5 of this chapter.

Sec. 5. As used in this chapter, "relinquishing school corporation" means a school corporation that relinquishes territory to an acquiring school corporation by disannexation under the pilot program established by section 0.5 of this chapter.

Sec. 6. As used in this chapter, "school corporation" has the meaning set forth in IC 20-18-2-16(a).

Sec. 7. As used in this chapter, "territory" means the entire territory of a township.

Sec. 8. Except as provided in section 1 of this chapter, territory may be disannexed from a school corporation under the pilot program established by section 0.5 of this chapter.

Sec. 9. (a) Subject to approval of a plan described in subsection (c), a disannexation may be initiated by the adoption of a substantially identical disannexation resolution by:

- (1) an acquiring school corporation's governing body; and
- (2) the fiscal body of the township that is to be disannexed, with approval of the township executive.

(b) The resolution described in subsection (a) must contain the following items:

- (1) The name of the school corporation from which the territory is to be disannexed.
- (2) A description of the territory to be disannexed.
- (3) The name of the acquiring school corporation.
- (4) The date the disannexation takes place.
- (5) Any terms and conditions facilitating education of students in the acquiring school corporation.

(c) Subject to section 14 of this chapter, the resolution must be supported by a plan for the organization of the acquiring school corporation that includes the following information:

- (1) The willingness and ability of the acquiring school corporation to accommodate and provide efficient and



equitable educational opportunity to students from the territory.

(2) Proposed disposition of assets and liabilities of the relinquishing school corporation to the acquiring school corporation.

(3) Proposed allocation between the acquiring and relinquishing school corporations of subsequently collected school taxes levied on property in the annexed territory.

(4) Proposed amount, if any, to be paid by the acquiring school corporation to the relinquishing school corporation on account of property received from the relinquishing school corporation.

(5) Additional information as required by the state board.

Dispositions, allocations, and amounts transferred under this subsection must be equitable, as determined by the state board. Dispositions, allocations, and amounts transferred shall be considered equitable if the plan is approved by the state board under section 10(a)(4) of this chapter.

(d) After adoption of the resolution:

(1) the resolution; and

(2) the plan for the organization of the acquiring school corporation;

must be filed with the state board.

Sec. 10. (a) The state board shall:

(1) receive and examine each resolution and plan submitted under section 9 of this chapter and approve each plan that meets the standards of the state board;

(2) adopt a set of minimum considerations for a plan that include:

(A) ensuring efficient and equitable educational opportunities for all students of the acquiring school corporation and relinquishing school corporation;

(B) the positive and negative effects on the acquiring and relinquishing school corporations;

(C) the economic interests of the acquiring and relinquishing school corporations related to changing the boundaries of the school corporations; and

(D) a determination of whether the disannexation is prohibited under section 1 of this chapter;

(3) not later than ninety (90) days after receipt of a plan, hold a public hearing in the county in which the largest part of the territory to be disannexed is located to allow residents of the



affected territory to testify; and

(4) not later than sixty (60) days after the public hearing:

(A) approve or disapprove in writing all or part of the plan; and

(B) notify in writing, by certified mail with return receipt requested, the acquiring school corporation, the relinquishing school corporation, and the fiscal body of the township.

(b) The state board is not required to hold a public hearing on a plan that does not meet the minimum considerations required by the state board. If the state board determines a plan does not meet the minimum considerations required, the state board shall notify in writing, by certified mail with return receipt requested, the acquiring school corporation and the fiscal body of the township.

Sec. 11. (a) If the state board approves the plan under section 10(a)(4) of this chapter, the acquiring school corporation and fiscal body of the township proposed to be disannexed may:

(1) within sixty (60) days of the state board approval of the plan, file a petition in favor of the proposed disannexation of the territory (including the name of the territory) from the relinquishing school corporation (including the name of the relinquishing school corporation) to the acquiring school corporation (including the name of the acquiring school corporation) that is signed by at least fifty-one percent (51%) of the registered voters residing in the territory proposed to be disannexed with the clerk of the circuit court of the county or counties in which the territory proposed to be disannexed is located under section 12 of this chapter; or

(2) after approval of the plan, request that the state board certify the approved plan to the clerk of the circuit court of the county or counties in which the territory proposed to be disannexed is located under section 13 of this chapter. The state board shall certify the approved plan to the clerk of the circuit court of the county or counties in which the territory proposed to be disannexed is located under section 13 of this chapter.

(b) If a petition described in subsection (a)(1) is not filed within sixty (60) days of the state board approval of the plan and a request for certification under subsection (a)(2) has not already been made, the state board shall certify the approved plan to the clerk of the circuit court of the county or counties in which the territory proposed to be disannexed is located under section 13 of this



chapter.

Sec. 12. (a) If a petition described in section 11(a)(1) of this chapter is filed with the clerk of the circuit court of the county or counties in which the territory proposed to be disannexed is located, the clerk of the circuit court shall make a certification under the clerk's hand and seal of the clerk's office as to whether the petition is signed by at least fifty-one percent (51%) of the registered voters residing in the territory proposed to be disannexed.

(b) If the clerk of the circuit court certifies under subsection (a) that the petition is signed by at least fifty-one percent (51%) of the registered voters residing in the territory proposed to be disannexed, the state board shall:

- (1)** immediately cause notice of the result to be published in the county or counties where the disannexation will take place; and
- (2)** declare the disannexation final and approve the annexation of the territory to the acquiring school corporation by adopting a resolution to that effect.

(c) Notice of the adoption of a resolution under subsection (b)(2) must be published at least once in one (1) newspaper of general circulation published in the county or counties where the disannexation will take place.

Sec. 13. (a) If a petition is not filed as described in section 11(a)(1) of this chapter, or following a request described in section 11(a)(2) of this chapter, the state board shall certify the approved plan to the clerk of the circuit court of the county or counties in which the territory proposed to be disannexed is located.

(b) After receiving a certified plan under subsection (a), the clerk of the circuit court shall make a certification under the clerk's hand and seal of the clerk's office as to:

- (1)** the number of registered voters residing in:
 - (A)** the territory proposed to be disannexed; or
 - (B)** the part of the territory proposed to be disannexed that is located in the county, as disclosed by the voter registration records of the county; and
- (2)** the date of the filing of the plan with the clerk.

If a territory proposed to be disannexed includes only part of a voting precinct, the clerk of the circuit court shall ascertain, from any means available, the number of registered voters residing in the part of the voting precinct that is within the territory proposed to be disannexed.



(c) The clerk of the circuit court shall do the following:

(1) Certify to the county election board the public question of whether the disannexation should take place.

(2) Order the county election board to place the following question on the ballot in the territory of the proposed disannexation:

"Shall _____ (insert the name of the territory) be transferred from _____ (insert the relinquishing school corporation) to _____ (insert the acquiring school corporation)?"

(d) The county election board shall place the question set forth in subsection (c)(2) on the ballot for the next primary election or general election under IC 3-10-9 as a local public question.

(e) The county election board, under IC 5-3-1, shall give notice of the public question on the ballot at the primary election or general election. The notice must:

(1) clearly state that the election is being held to provide the registered voters an opportunity to approve or reject a proposal for the disannexation of territory from an existing school corporation;

(2) state the name of the existing school corporation to which the territory is proposed to be annexed; and

(3) designate the date, time, and voting place or places at which the election will be held.

(f) The county election board shall place the public question on the ballot in the form prescribed by IC 3-10-9-4. Except as otherwise provided in this chapter, the election is governed by IC 3.

(g) The certified result of the local public question shall be filed with the state board.

(h) If the majority of the voters voting in an election under this section vote "yes" on the question of disannexation, the state board shall:

(1) immediately cause notice of the result to be published in the county or counties where the disannexation will take place; and

(2) declare the disannexation final and approve the annexation of the territory to the acquiring school corporation by adopting a resolution to that effect.

(i) Notice of the adoption of a resolution under subsection (h)(2) must be published at least once in one (1) newspaper of general circulation published in the county or counties where the disannexation will take place.



Sec. 14. (a) A disannexation and annexation to an acquiring school corporation under section 12 or 13 of this chapter take effect on the July 1 following the date of the publication of the notice in section 12(c) or 13(i) of this chapter by the state board, except that the disannexed territory is considered part of the acquiring school corporation for purposes of determining budgets, property tax rates, and property tax levies beginning with the acquiring school corporation's budget year beginning on the January 1 immediately following the July 1 effective date of the disannexation.

(b) Except as provided in subsection (c), the relinquishing school corporation and taxpayers of the disannexed territory remain liable for any indebtedness of the relinquishing school corporation in effect on the date the disannexation is effective under this chapter. The amount of outstanding indebtedness for which taxpayers of the disannexed territory that has been transferred remain liable under this section consists of the portion of indebtedness that is in the same proportion as the assessed valuation of the real property in the disannexed territory bears to the assessed valuation of all the real property in the relinquishing school corporation, as determined for the last assessment date before the disannexation occurs. The department of local government finance shall determine the amount, if any, of outstanding indebtedness for which taxpayers of the disannexed territory that has been transferred remain liable under this section. The disannexed territory constitutes a special taxing district for only the purposes of imposing and collecting a property tax levy for payment of the amount of the disannexed territory's portion of the outstanding indebtedness. The relinquishing school corporation shall each year impose and collect the property tax levy in the disannexed territory in an amount determined by the department of local government finance to be used only for payment of the disannexed territory's portion of the outstanding indebtedness.

(c) After a disannexation is effective under this chapter, the following apply to debt incurred by the relinquishing school corporation during the period beginning on the date on which a resolution is adopted by an acquiring school corporation under section 9 of this chapter and ending on the date the disannexation is effective under subsection (a):

(1) The acquiring school corporation to which the territory is transferred is not liable for and is not required to pay any part of that indebtedness.



(2) A property tax may not be imposed on the taxpayers of the transferred territory to pay any part of that indebtedness.

(3) The territory that is transferred does not constitute a special taxing district for purposes of paying any part of that indebtedness.

Sec. 15. If the relinquishing school corporation owns a building that is located within the territory to be disannexed that:

(1) is not used in whole or in part for classroom instruction at the time a disannexation is initiated; and

(2) was previously used for classroom instruction;

the relinquishing school corporation shall comply with IC 20-26-7.1, including making the building available for lease or purchase to any charter school or neighboring school corporation for one dollar (\$1) per year, before the relinquishing school corporation may sell or exchange, in accordance with IC 20-25-4-14, IC 20-26-5-4(7), or IC 20-26-7-1, the building.

Sec. 16. (a) Within sixty (60) days after a disannexation takes place, the governing body of the acquiring school corporation and relinquishing school corporation shall adopt a plan determining the manner in which each governing body shall be constituted. The plan shall be adopted in accordance with the requirements and procedures of IC 20-23-8, except as set out in subsection (b).

(b) The adoption of a plan by the governing body in accordance with IC 20-23-8-10 and its submission to the state board under IC 20-23-8-15 are the only procedures required when an existing plan is changed as follows:

(1) All governing body members are elected at large, and there are no governing body member residency districts.

(2) Governing body members are elected from governing body member residency districts, and the annexed territory is added to or deleted from one (1) or more districts.

(3) A governing body member is appointed from a given area or district, and the annexed territory is added to or deleted from one (1) or more districts or areas.

(4) A governing body member is elected solely by the voters in a school governing body member district, but the addition or deletion of the annexed territory to or from an existing district does not constitute a denial of equal protection of the laws.

If a school corporation elects or appoints members of its governing body both from a school governing body member district encompassing the entire school corporation and from smaller



districts, the governing body of the acquiring school corporation shall add the annexed territory both to the district consisting of the entire school corporation and to one (1) or more smaller districts. In a comparable situation, the relinquishing school corporation shall delete the annexed territory both from the district consisting of the entire school corporation and from any smaller district or districts. The change in the plan becomes effective upon its approval by the state board. The application of this subsection does not limit the initiation of, or further changes in, any plan under IC 20-23-8.

Sec. 17. A disannexation that takes effect under this chapter during the period of the pilot program remains in effect after the expiration of the pilot program.

Sec. 18. Before July 1, 2021, the state board shall report any data and information gathered from the pilot program to the legislative council in an electronic format under IC 5-14-6.

Sec. 19. This chapter expires July 1, 2021."

Page 3, delete lines 20 through 42.

Delete pages 4 through 5.

Page 6, delete lines 1 through 14.

Page 7, between lines 40 and 41, begin a new paragraph and insert:

"SECTION 5. IC 20-24-8-1, AS ADDED BY P.L.1-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 1. A charter school may do the following:

- (1) Sue and be sued in its own name.
- (2) For educational purposes, acquire real and personal property or an interest in real and personal property by purchase, gift, grant, devise, or bequest, **or interlocal cooperation under IC 36-1-7.**
- (3) Convey property.
- (4) Enter into contracts in its own name, including contracts for services."

Page 20, delete lines 34 through 42, begin a new paragraph and insert:

"SECTION 14. IC 20-26-7.1 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 7.1. Transfers of Vacant School Buildings to Charter Schools

Sec. 1. This chapter does not apply to a school building that on July 1, 2011, is leased or loaned by the school corporation that owns the school building to another entity, if the entity is not a



building corporation or other entity that is related in any way to, or created by, the school corporation or the governing body.

Sec. 2. As used in this chapter, "charter school" has the meaning set forth in IC 20-24-1-4 and includes an entity that has filed an application with an authorizer and is seeking approval from the authorizer to operate a charter school under IC 20-24-3.

Sec. 3. (a) Before a governing body may sell or exchange a building described in this section in accordance with IC 20-25-4-14, IC 20-26-5-4(7), or IC 20-26-7-1, and except as provided in this chapter, a governing body shall make available for lease or purchase to any charter school any school building owned by the school corporation or any other entity that is related in any way to, or created by, the school corporation or the governing body, including but not limited to a building corporation, that:

(1) is vacant or unused; and

(2) was previously used for classroom instruction;

in order for the charter school to conduct kindergarten through grade 12 classroom instruction.

(b) The following are not required to comply with the requirements provided in section 4 of this chapter:

(1) A governing body that vacates a school building in order to:

(A) renovate the school building for future use by the school corporation; or

(B) demolish the school building and build a new school building on the same site as the demolished building.

(2) An emergency manager of a distressed school corporation under IC 6-1.1-20.3.

(3) The governing body of the School City of East Chicago school corporation for the Carrie Gosch Elementary School building.

(c) Notwithstanding subsection (a), a lease entered into by a governing body under IC 20-26-5-4(7) prior to July 1, 2019, with an accredited nonpublic school shall remain in full force and effect. In addition, the governing body may, during or at the expiration of the term of such lease, sell the school building leased under IC 20-26-5-4(7) to the nonpublic school at a purchase price mutually agreed to by the governing body and the nonpublic school.

Sec. 4. (a) Not later than ten (10) days after passing a resolution or taking other official action to close, no longer use, or no longer occupy a school building that was previously used for classroom



instruction, the governing body shall:

- (1) notify the department of the official action and the effective date that the school building will be closed, no longer used, or no longer occupied;
- (2) make the school building available for inspection by a charter school that notifies the department that it is interested in leasing or purchasing the school building described under section 3 of this chapter; and
- (3) make the following information available to a charter school described in subdivision (2):
 - (A) Estimates of the operating expenses for the school building for the past three (3) years.
 - (B) Written information regarding the condition of the building, including the age of the roof and the HVAC system, and any known conditions which, in the governing body's opinion, require prompt repair or replacement.
 - (C) A description of the property as shown on the current tax statement.

(b) Within five (5) days of receiving notice under subsection (a)(1), the department shall provide written notification to each charter school authorizer (excluding school corporation authorizers as defined in IC 20-24-1-2.5(1)) and statewide organizations representing charter schools in Indiana of the school corporation's resolution or official action described in subsection (a), including the date when the school building will close, no longer be used, or become vacant.

(c) The school corporation shall lease the school building to a charter school for one dollar (\$1) per year for as long as the charter school uses the school building for classroom instruction for a term at the charter school's discretion, or sell the school building for one dollar (\$1), if the charter school does the following:

- (1) Within thirty (30) days of receiving the department's notice under subsection (b), a charter school must submit a preliminary request to purchase or lease the school building.
- (2) Subject to subsection (d), within ninety (90) days of receiving the department's notice under subsection (b), a charter school must submit to the school corporation the following information:
 - (A) The name of the charter school that is interested in leasing or purchasing the vacant or unused school building.
 - (B) A time frame, which may not exceed two (2) years from



the date that the school building is to be closed, no longer used, or no longer occupied, in which the charter school intends to begin providing classroom instruction in the vacant or unused school building.

(C) A resolution, adopted by the board of the charter school stating that the board has determined that, after the charter school has made any necessary repairs or modifications, the school building will be sufficient to meet the charter school's needs and can be operated within the charter school's budget.

(D) This clause applies to a vacant or unused school building with more than two hundred thousand (200,000) gross square feet. In addition to the information provided in clauses (A) through (C), a charter school shall submit the following:

(i) The charter school's projected enrollment when all of the grade levels are added.

(ii) A letter from the charter school's authorizer or prospective authorizer that indicates that the charter school's authorizer or prospective authorizer has reviewed the items described in clauses (B) through (C).

(d) If the department does not receive any preliminary requests to purchase or lease a school building within the time frame described in subsection (c)(1) and except as provided in section 7 of this chapter, the department shall send notification to the school corporation that the department has not received any preliminary requests to purchase or lease the school building. Upon receipt of the notification under this subsection, the school corporation may sell or otherwise dispose of the school building in accordance with IC 36-1-11, IC 20-25-4-14, IC 20-26-5-4(7), and section 8 of this chapter.

(e) In the event that two (2) or more charter schools submit a preliminary request to purchase or lease a school building within the time frame described in subsection (c)(1), the department shall send notification to an authorizer described in IC 20-24-1-2.5(3) and each statewide charter school authorizer and statewide organization representing charter schools in Indiana (excluding school corporation authorizers as defined in IC 20-24-1-2.5(1)) and the school corporation that the department has received two (2) or more preliminary requests under this section. An authorizer committee shall be established, with each statewide authorizer that has authorized one (1) or more charter schools appointing a



representative, and the committee shall establish the chairperson and procedures for the committee. Within sixty (60) days of receiving notice under this subsection, the committee shall select which charter school may proceed to purchase or lease the school building or determine if two (2) or more charter schools should co-locate within the school building. The committee shall give priority to a charter school located within one (1) mile of the vacant or unused school building. In the event that the committee determines that two (2) or more charter schools should co-locate in the school building, the charter schools have sixty (60) days to submit a memorandum of understanding stating that the charter schools shall be jointly and severally liable for the obligations related to the sale or lease of the school building, and specifying how the charter schools will utilize the school building and share responsibility for operational, maintenance, and renovation expenses. If the charter schools are unable to agree, the charter schools shall be deemed to have revoked their prior request regarding the lease or sale of the school building.

(f) A school corporation shall lease the school building for one dollar (\$1) per year for as long as the charter school uses the school building for classroom instruction for any combination of kindergarten through grade 12 for a term at the charter school's discretion, or sell the school building to the charter school for one dollar (\$1), if the charter school has met the requirements set forth in subsection (c) and uses the vacant or unused school building to provide classroom instruction to students in any combination of kindergarten through grade 12. If a charter school has not met the requirements under subsection (c), the school corporation may, subject to section 7 of this chapter, sell or otherwise dispose of the school building in accordance with IC 36-1-11, IC 20-25-4-14, IC 20-26-5-4(7), and section 8 of this chapter.

Sec. 5. (a) If a school building is sold to a charter school under section 3 or 4 of this chapter and the charter school, or any subsequent owner, subsequently sells or transfers the school building to a third party, the charter school or subsequent owner must transfer an amount equal to the gain in the property minus the adjusted basis (including costs of improvements to the school building) to the school corporation that initially sold the vacant school building to the charter school. Gain and adjusted basis shall be determined in the manner prescribed by the Internal Revenue Code and the applicable Internal Revenue Service regulations and guidelines.



(b) A charter school that purchases a school building assumes total control of the school building and must maintain the school building, including utilities, insurance, maintenance, and repairs. In the event a charter school does not use the school building for classroom instruction within two (2) years after acquiring the school building, the school building shall revert to the school corporation, which may sell or otherwise dispose of the school building under IC 36-1-11.

Sec. 6. During the term of a lease under section 4 of this chapter, the charter school is responsible for the direct expenses related to the school building leased, including utilities, insurance, maintenance, repairs, and remodeling. If the lease involves co-locating charter schools, the obligations under the lease of the school building shall be joint and several. The school corporation is responsible for any debt incurred for or liens that attached to the school building before the charter school leased the school building.

Sec. 7. (a) This section applies to a school building with a gross square footage of two hundred thousand (200,000) square feet or less.

(b) If the school corporation receives notification from the department that the department has not received any preliminary requests to purchase or lease a vacant or unused school building under section 4(c)(1) of this chapter or a charter school has not met the requirements under section 4(c)(2) or 4(e) of this chapter, the school corporation must sell the school building to an accredited nonpublic school or postsecondary educational institution that sends a letter of intent to the school corporation to purchase the vacant or unused school building for an amount not more than the minimum bid for the vacant or unused school building determined in accordance with IC 36-1-11, or an amount agreed to by both parties.

(c) The accredited nonpublic school or postsecondary educational institution must submit its letter of intent to purchase the school building within thirty (30) days of the date the school corporation passes a resolution or takes other official action to close, no longer use, or no longer occupy a school building that was previously used for classroom instruction. However, in the event that a charter school has submitted a preliminary request to purchase or lease a school building, the accredited nonpublic school or postsecondary educational institution may send a letter of intent to purchase or lease the school building within ninety (90)



days of the date that the school corporation passed a resolution or took official action to close, no longer use, or no longer occupy a school building.

(d) Within forty-five (45) days of notice of the minimum bid, the accredited nonpublic school or postsecondary educational institution must provide a binding offer to the school corporation to purchase the property in its current condition and provide a nonrefundable down payment equal to five percent (5%) of the minimum bid or an amount agreed to by both parties. In the event that two (2) or more binding offers are submitted to the school corporation under this subsection, the school corporation may select which offer to accept.

(e) If the sale of the property does not close within one hundred eighty (180) days of the school corporation's receipt of the binding offer, and the delay in closing is not caused by the school corporation or its representatives, the school corporation may refund the down payment and sell or otherwise dispose of the school building under IC 20-25-4-14, IC 20-26-5-4(7), or IC 36-1-11.

Sec. 8. (a) This section applies to the sale of a vacant or unused school building with more than two hundred thousand (200,000) gross square feet under IC 36-1-11, as permitted by this chapter.

(b) In determining whether to accept a proposal to purchase and redevelop the school building and any adjacent property, the governing body must ensure that a charter school that has notified the governing body in writing of its interest in locating the charter school on the redeveloped site is provided adequate facilities on the redeveloped site.

(c) In the event that a charter school does not enter into a lease for the appropriate facilities as part of the initial development of the school building parcel, this section shall no longer be binding on the school corporation or the purchaser of the property, which shall not be required to make the space available for use by another charter school.

Sec. 9. If a school corporation does not comply with the requirements provided in this chapter, the school corporation shall submit any proceeds from the sale of the vacant school building to the state board to provide grants under the charter school and innovation grant program under IC 20-24-13."

Delete pages 21 through 25.

Page 26, delete lines 1 through 40.

Page 30, between lines 19 and 20, begin a new paragraph and insert:



"(e) If the state board directs the special management team to apply for charter school status under subsection (a)(2), the state board shall notify the charter school authorizer selected for application by the special management team of the state board's decision to direct the school to apply for charter status."

Page 34, after line 13, begin a new paragraph and insert:

"SECTION 26. [EFFECTIVE UPON PASSAGE] (a) IC 20-26-7.1, as added by this act, applies to a school building that:

(1) was included on the list compiled by the department of education under IC 20-26-7-1(f), before the amendment of IC 20-26-7-1 by this act; or

(2) was required to be added to the list not later than August 1, 2019, under IC 20-26-7-1(f), before the amendment of IC 20-26-7-1 by this act.

(b) This SECTION expires July 1, 2024.

SECTION 27. An emergency is declared for this act."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1641 as reprinted February 15, 2019.)

RAATZ, Chairperson

Committee Vote: Yeas 7, Nays 2.

