

# SENATE BILL No. 88

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 20-24-3-2.5.

**Synopsis:** Charter school organizer contracts. Prohibits a charter school organizer from entering into contracts under which an officer or employee of the organizer or a relative of an officer or employee of the organizer will receive compensation or proceeds. Provides an exception for contracts of \$1,000 or less.

**Effective:** July 1, 2020.

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## Taylor G

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January 6, 2020, read first time and referred to Committee on Judiciary.

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Second Regular Session of the 121st General Assembly (2020)

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 2019 Regular Session of the General Assembly.

# SENATE BILL No. 88

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

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

- 1 SECTION 1. IC 20-24-3-2.5, AS AMENDED BY P.L.250-2017,
- 2 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 3 JULY 1, 2020]: Sec. 2.5. (a) If a proposed charter school intends to
- 4 contract with an education service provider for substantial educational
- 5 services, management services, or both educational services and
- 6 management services, the request for proposals shall require the
- 7 applicants to provide the following:
- 8 (1) Evidence of the education service provider's success in
- 9 serving student populations similar to the targeted populations,
- 10 including demonstrated academic achievement as well as
- 11 successful management of nonacademic school functions, if
- 12 applicable.
- 13 (2) A term sheet setting forth:
- 14 (A) the proposed duration of the service contract;
- 15 (B) the roles and responsibilities of the organizer, the school
- 16 staff, and the education service provider;
- 17 (C) the performance evaluation measures and timelines;



- 1 (D) the compensation structure, including clear identification  
2 of all fees to be paid to the education service provider;  
3 (E) the methods of contract oversight and enforcement;  
4 (F) the investment disclosure;  
5 (G) that the school and the authorizer are entitled to any data  
6 directly related to the operation or management of the school,  
7 such as financial data, enrollment data, demographic data,  
8 performance data, and student data, in the possession of the  
9 education service provider, but may not include any  
10 proprietary, intellectual property, or similarly protected data of  
11 the education service provider; and  
12 (H) the conditions for renewal and termination of the contract.
- 13 (3) A disclosure statement to explain any existing or potential  
14 conflicts of interest between the organizer and the proposed  
15 education service provider or any affiliated business entities.
- 16 (4) Assurance that the organizer will be structurally independent  
17 of the education service provider and shall set and approve school  
18 policies. The assurance must also provide that the terms of the  
19 service contract must be reached by the organizer and the  
20 education service provider through arms length negotiations in  
21 which the organizer must be represented by legal counsel. The  
22 legal counsel may not also represent the education service  
23 provider.
- 24 **(b) Other than de minimis contracts valued at one thousand**  
25 **dollars (\$1,000) or less, an organizer may not enter into any**  
26 **contracts with a person (as defined in IC 2-2.2-1-14) from which an**  
27 **officer or employee of the organizer or a relative (as defined in**  
28 **IC 2-2.2-1-17) of an officer or employee of the organizer will**  
29 **receive compensation under or proceeds of the contract.**

