

SENATE BILL No. 173

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-24.

Synopsis: Charter schools. Changes the chartering authority for a consolidated city. Beginning July 1, 2024, provides that only the charter board or the Indianapolis charter school board may grant chartering authority in a consolidated city. Provides that at least 45 days before a public hearing, an organizer must conduct a meeting with the school corporation where a charter school will be located to discuss certain information. Provides that not more than 30 days after meeting with an organizer, a school corporation must make a recommendation to the authorizer concerning the proposed charter school. Provides that a school corporation must be allowed to make public comments regarding a recommendation made to an authorizer at a public meeting.

Effective: July 1, 2024.

Hunley

January 9, 2024, read first time and referred to Committee on Education and Career Development.



Second Regular Session of the 123rd General Assembly (2024)

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 2023 Regular Session of the General Assembly.

SENATE BILL No. 173

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 20-24-2.2-1.2, AS ADDED BY P.L.221-2015,
2 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2024]: Sec. 1.2. (a) This section applies to an authorizer
4 described in IC 20-24-1-2.5(1), IC 20-24-1-2.5(2), and
5 IC 20-24-1-2.5(5) if the authorizer has not previously issued a charter
6 for any charter school prior to July 1, 2015.

7 (b) A governing body of a school corporation may register with the
8 state board for charter authority within the attendance area of the
9 school corporation. The state board shall post on the state board's
10 ~~Internet web site~~ **website** an application received from an authorizer to
11 register with the state board under this section within ten (10) days
12 after receipt of the application. The state board may not charge an
13 authorizer a fee to register with the state board under this section.

14 (c) A governing board of a nonprofit college or university described
15 in IC 20-24-1-2.5(5) may apply to the state board for statewide,
16 regional, or local chartering authority.

17 (d) The state board shall publicize to all governing bodies the



1 opportunity to register with the state board for chartering authority
2 within their school corporation. Not later than May 1 of each year, the
3 state board shall provide information about the opportunity, including
4 a registration deadline, to all governing bodies. To register as an
5 authorizer, each interested governing body must submit the following
6 information in a format prescribed by the state board:

7 (1) A written notification of intent to serve as a charter authorizer
8 in accordance with this article.

9 (2) An explanation of the governing body's strategic vision for
10 chartering.

11 (3) An explanation of the governing body's budget and personnel
12 capacity and commitment to execute the duties of quality charter
13 authorizing in accordance with this article.

14 (4) An explanation of how the governing body will solicit charter
15 school applicants in accordance with IC 20-24-3.

16 (5) A description or outline of the performance framework the
17 governing body will use to guide the establishment of a charter
18 contract and for the oversight and evaluation of charter schools,
19 consistent with this article.

20 (6) A draft of the governing body's renewal, revocation, and
21 nonrenewal processes, consistent with this article.

22 (7) A statement of assurance that the governing body commits to
23 serving as a charter authorizer in fulfillment of the expectations,
24 spirit, and intent of this article, and that the governing body will
25 fully adopt standards of quality charter school authorizing in
26 accordance with section 1.5 of this chapter.

27 (e) Within sixty (60) days of receipt of the information described in
28 subsection (d), the state board shall register the governing body as a
29 charter authorizer within the attendance area of the school corporation
30 and shall provide the governing body a letter confirming the governing
31 body's registration as a charter authorizer. A governing body may not
32 engage in any charter authorizing functions without a current
33 registration as a charter authorizer with the state board.

34 (f) The state board shall establish an annual application and
35 approval process, including cycles and deadlines during the state fiscal
36 year, for registering an entity described in IC 20-24-1-2.5(5) for
37 authorizer authority. Not later than May 1 of each year, the state board
38 shall make available information and guidelines for an applicant
39 described in IC 20-24-1-2.5(5) concerning the opportunity to apply for
40 chartering authority under this article. The application process must
41 require each applicant to submit an application that clearly explains or
42 presents the following elements:



- 1 (1) A written notification of intent to serve as a charter authorizer
 2 in accordance with this article.
 3 (2) The applicant's strategic vision for chartering.
 4 (3) A plan to support the applicant's strategic vision described in
 5 subdivision (2), including an explanation and evidence of the
 6 applicant's budget and personnel capacity and commitment to
 7 execute the duties of quality charter authorizing in accordance
 8 with this article.
 9 (4) A draft or preliminary outline of the request for proposals that
 10 the applicant would, if approved by the state board under this
 11 section, issue to solicit charter school applicants under
 12 IC 20-24-3.
 13 (5) A draft of the performance framework that the applicant
 14 would, if approved by the state board under this section, use to
 15 guide the establishment of a charter contract and for ongoing
 16 oversight and evaluation of charter schools consistent with this
 17 article.
 18 (6) A draft of the applicant's renewal, revocation, and nonrenewal
 19 processes.
 20 (7) A statement of assurance that the applicant commits to serving
 21 as a charter authorizer in fulfillment of the expectations, spirit,
 22 and intent of this article, and that the applicant will fully adopt
 23 standards of quality charter school authorizing in accordance with
 24 section 1.5 of this chapter.
 25 (g) Not later than July 1 of each year, the state board shall grant or
 26 deny chartering authority to an applicant under subsection (f). The state
 27 board shall make its decision on the merits of each applicant's proposal
 28 and plans submitted under subsection (f).
 29 (h) Within thirty (30) days of the state board's decision under
 30 subsection (g), the state board shall execute a renewable authorizing
 31 contract with an applicant that the state board has approved for
 32 chartering authority. The initial term of each authorizing contract is six
 33 (6) years. The authorizing contract must specify each approved
 34 applicant's agreement to serve as a charter authorizer in accordance
 35 with this article and shall specify additional performance terms based
 36 on the applicant's proposal and plan for chartering. An approved
 37 applicant may not commence charter authorizing without an
 38 authorizing contract in effect.
 39 (i) The state board shall maintain on the state board's ~~internet web~~
 40 ~~site~~ **website** the names of each authorizer approved by the state board
 41 under this section.
 42 (j) **After June 30, 2024, an authorizer described in**



1 **IC 20-24-1-2.5(1), IC 20-24-1-2.5(2), and IC 20-24-1-2.5(5) may not**
 2 **obtain local chartering authority for the establishment of a charter**
 3 **school in a consolidated city.**

4 **(k) Beginning July 1, 2024, only the:**

5 **(1) charter board; or**

6 **(2) Indianapolis charter school board established under**
 7 **IC 20-24-2.3-3;**

8 **may authorize a charter school in a consolidated city.**

9 SECTION 2. IC 20-24-3-5.5, AS AMENDED BY P.L.127-2016,
 10 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JULY 1, 2024]: Sec. 5.5. (a) This section applies to an authorizer that
 12 is not the executive of a consolidated city.

13 (b) Before issuing a charter, the authorizer must conduct a public
 14 hearing concerning the establishment of the proposed charter school.
 15 The public hearing must be held within the school corporation where
 16 the proposed charter school would be located. If the location of the
 17 proposed charter school has not been identified, the public hearing
 18 must be held within the county where the proposed charter school
 19 would be located.

20 (c) At the public hearing **described in subsection (b)**, the governing
 21 body of the school corporation in which the proposed charter school
 22 will be located must be given an opportunity to comment on the:

23 **(1) effect of the proposed charter school on the school**
 24 **corporation, including any foreseen negative impacts on the**
 25 **school corporation; and**

26 **(2) recommendation provided to the authorizer under section**
 27 **14(f) or 14.1(f) of this chapter.**

28 SECTION 3. IC 20-24-3-14, AS AMENDED BY P.L.250-2017,
 29 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 JULY 1, 2024]: Sec. 14. (a) This section applies to state educational
 31 institutions described in IC 20-24-1-2.5(2).

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

35 (c) The university's board of trustees shall assign authorization
 36 authority and authorization responsibilities to another entity that
 37 functions under the direction of the university's board. A decision made
 38 under this subsection shall be communicated in writing to the
 39 department.

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

42 **(e) At least forty-five (45) days before the public hearing**



1 required under section 5.5 of this chapter and subsection (g), an
 2 organizer must conduct a meeting with the school corporation
 3 where the charter school will be located to discuss the:

- 4 (1) financial stability of the organizer;
 5 (2) performance of charter schools operated by the organizer
 6 over the previous five (5) years;
 7 (3) organizer's current capacity for growth; and
 8 (4) proposal to establish a charter school subject to the
 9 requirements of section 4 of this chapter that the organizer
 10 submitted to the authorizer.

11 (f) Not more than thirty (30) days after the meeting described in
 12 subsection (e), a school corporation must make a recommendation
 13 to the authorizer concerning the suitability and authorization of
 14 the proposed charter school.

15 (e) (g) In addition to the meeting described in subsection (e),
 16 before a university may authorize a charter school, the university must
 17 conduct a public meeting with public notice in the school corporation
 18 where the charter school will be located. If the location of the proposed
 19 charter school has not been identified, the public hearing must be held
 20 within the county where the proposed charter school would be located.

21 SECTION 4. IC 20-24-3-14.1, AS ADDED BY P.L.127-2016,
 22 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 JULY 1, 2024]: Sec. 14.1. (a) This section applies to nonprofit colleges
 24 and universities described in IC 20-24-1-2.5(5).

25 (b) Except as provided in subsection (c), the ultimate responsibility
 26 for choosing to authorize and for maintaining authorization rests with
 27 the nonprofit college's or university's board of trustees.

28 (c) Beginning January 1, 2017, the nonprofit college's or university's
 29 board of trustees shall assign authorization authority and authorization
 30 responsibilities to a separate legal entity that functions under the
 31 direction of the nonprofit college's or university's board. A decision
 32 made under this subsection shall be communicated in writing to the
 33 department and the state board.

34 (d) An entity created under subsection (c) is subject to the
 35 requirements of IC 5-14-1.5 and IC 5-14-3. Creation of an entity under
 36 subsection (c) by a nonprofit college or university described in
 37 IC 20-24-1-2.5(5) does not subject the nonprofit college or university
 38 itself to the requirements of IC 5-14-1.5 and IC 5-14-3 unless otherwise
 39 required by law.

40 (e) At least forty-five (45) days before the public hearing
 41 required under section 5.5 of this chapter and subsection (g), an
 42 organizer must conduct a meeting with the school corporation



1 where the charter school will be located to discuss the:

2 (1) financial stability of the organizer;

3 (2) performance of charter schools operated by the organizer
4 over the previous five (5) years;

5 (3) organizer's current capacity for growth; and

6 (4) proposal to establish a charter school subject to the
7 requirements of section 4 of this chapter that the organizer
8 submitted to the authorizer.

9 (f) Not more than thirty (30) days after the meeting described in
10 subsection (e), a school corporation must make a recommendation
11 to the authorizer concerning the suitability and authorization of
12 the proposed charter school.

13 (e) (g) In addition to the meeting described in subsection (e),
14 before an entity created under subsection (c) may authorize a charter
15 school, the entity must conduct a public meeting with public notice in
16 the school corporation where the charter school will be located. If the
17 location of the proposed charter school has not been identified, the
18 public hearing must be held within the county where the proposed
19 charter school would be located.

