

Adopted	Rejected
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COMMITTEE REPORT

YES:	21
NO:	0

MR. SPEAKER:

*Your Committee on Ways and Means, to which was referred House Bill 1347, 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:*

- 1 Delete everything after the enacting clause and insert the
- 2 following:
- 3 SECTION 1. IC 20-5.5 IS ADDED TO THE INDIANA CODE AS
- 4 A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE UPON
- 5 PASSAGE]:
- 6 **ARTICLE 5.5. PUBLIC CHARTER SCHOOLS**
- 7 **Chapter 1. Definitions**
- 8 **Sec. 1. The definitions in this chapter apply throughout this**
- 9 **article.**
- 10 **Sec. 2. "Board" refers to the Indiana state board of education**
- 11 **established by IC 20-1-1-1.**
- 12 **Sec. 3. "Charter" means a contract between an organizer and**
- 13 **the governing body of a school corporation for the establishment**
- 14 **of a charter school.**
- 15 **Sec. 4. "Charter school" means a public elementary school or**

1 secondary school established under this article that:

2 (1) is nonsectarian and nonreligious; and

3 (2) operates:

4 (A) under a charter; and

5 (B) as a part of a school corporation.

6 Sec. 5. "Department" refers to the department of education
7 established by IC 20-1-1.1-2.

8 Sec. 6. "Elementary school" has the meaning set forth in
9 IC 20-10.1-1-15.

10 Sec. 7. "Governing body" has the meaning set forth in
11 IC 20-5-1-3(b).

12 Sec. 8. "Organizer" refers to a group of:

13 (1) parents of children enrolled in a school corporation; and

14 (2) teachers employed by a school corporation;

15 that enters into a contract under this article to operate a charter
16 school in the school corporation where the parents' children are
17 enrolled or where the teachers are employed.

18 Sec. 9. "Parent" has the meaning set forth in IC 20-1-1.8-8.

19 Sec. 10. "Proposal" refers to a proposal from an organizer to
20 establish a charter school.

21 Sec. 11. "Public school" has the meaning set forth in
22 IC 20-10.1-1-2.

23 Sec. 12. "School corporation" has the meaning set forth in
24 IC 20-5-1-3(a).

25 Sec. 13. "Secondary school" refers to a high school (as defined
26 in IC 20-10.1-1-16).

27 Sec. 14. "Teacher" means a school employee (as defined in
28 IC 20-7.5-1-2(e)).

29 **Chapter 2. Description**

30 Sec. 1. A charter school that is established under this article
31 must be physically located in a building that the governing body:

32 (1) used at one (1) time for traditional classroom purposes;
33 and

34 (2) has closed for traditional classroom purposes within
35 twenty-four (24) months of the day the governing body
36 makes a decision to accept or reject a proposal for the
37 charter school under IC 20-5.5-5.

38 Sec. 2. A charter school may be established under this article

1 to provide innovative and autonomous programs to do the
2 following:

- 3 (1) Serve the different learning styles and needs of public
4 school students.
- 5 (2) Offer public school students appropriate and innovative
6 choices.
- 7 (3) Afford varied opportunities for professional educators.
- 8 (4) Allow public schools freedom and flexibility in exchange
9 for exceptional levels of accountability.
- 10 (5) Provide parents, students, community members, and local
11 entities with an expanded opportunity for involvement in the
12 public school system.

13 **Sec. 3. A charter school is subject to all federal and state laws
14 and constitutional provisions that prohibit discrimination,
15 including discrimination on the basis of the following:**

- 16 (1) Disability.
- 17 (2) Race.
- 18 (3) Color.
- 19 (4) Gender.
- 20 (5) National origin.
- 21 (6) Religion.
- 22 (7) Ancestry.

23 **Chapter 3. Powers and Exemptions**

24 **Sec. 1. (a) A charter school is a public school and, as such, is a
25 part of the school corporation in which the charter school is
26 located.**

27 **(b) Except as provided in section 7 of this chapter, a charter
28 school is subject to all laws and rules applicable to all noncharter
29 public schools.**

30 **Sec. 2. A charter school may for educational purposes acquire
31 personal property or an interest in personal property by purchase,
32 gift, grant, devise, or bequest.**

33 **Sec. 3. A charter school may not do the following:**

- 34 (1) Operate at a site other than a site described in
35 IC 20-5.5-2-1 or for grades other than as specified in the
36 charter.
- 37 (2) Charge for tuition or transportation for a student
38 residing within the school corporation's geographic

1 boundaries. However, a charter school may charge tuition
2 for:

3 (A) a preschool program, unless charging tuition for the
4 preschool program is barred under federal law; or

5 (B) a latch key program;

6 if the charter school provides those programs.

7 (3) Except for a foreign exchange student who is not a United
8 States citizen, enroll a pupil who is not a resident of Indiana.

9 (4) Operate outside the geographic boundaries of the school
10 corporation that grants the charter to the charter school.

11 **Sec. 4.** For each charter school established under this article,
12 the charter school and the organizer are accountable to the
13 governing body for ensuring compliance with:

14 (1) applicable federal and state laws;

15 (2) the charter; and

16 (3) the Constitution of the State of Indiana.

17 **Sec. 5.** A governing body must make enrollment at the charter
18 school available to all students of the appropriate age or grade
19 having legal settlement in the school corporation. If more students
20 seek enrollment in the charter school than there are places
21 available, enrollment in the charter school shall be determined by
22 lot.

23 **Sec. 6.** A charter school may do the following:

24 (1) Include any grade or any configuration of grades
25 specified in the charter, including the following:

26 (A) Early childhood education.

27 (B) Kindergarten.

28 (C) Grades 1 through 12.

29 (2) Limit admission to pupils who are within the particular
30 age range or grade level served in the school building where
31 the charter school is to be located before the building was
32 closed for traditional classroom purposes, unless the charter
33 provides for serving additional age ranges or grades.

34 **Sec. 7.** Notwithstanding any other law and except as otherwise
35 provided in this article, a charter school may waive compliance
36 with the following statutes and rules:

37 (1) Concerning curriculum and instructional time:

38 IC 20-10.1-4-6.

- 1 **IC 20-10.1-4-7.**
- 2 **IC 20-10.1-4-9.1.**
- 3 **511 IAC 6-7-6.**
- 4 **511 IAC 6.1-3-4.**
- 5 **511 IAC 6.1-5-0.5.**
- 6 **511 IAC 6.1-5.1.**
- 7 **511 IAC 6.1-5-2.5.**
- 8 **511 IAC 6.1-5-3.5.**
- 9 **511 IAC 6.1-5-4.**
- 10 **(2) Concerning textbooks:**
- 11 **IC 20-10.1-9-1.**
- 12 **IC 20-10.1-9-18.**
- 13 **IC 20-10.1-9-21.**
- 14 **IC 20-10.1-9-23.**
- 15 **IC 20-10.1-9-27.**
- 16 **IC 20-10.1-10-1.**
- 17 **IC 20-10.1-10-2.**
- 18 **511 IAC 6.1-5-5.**
- 19 **(3) Concerning pupil/teacher ratios:**
- 20 **511 IAC 6-2-1(b)(2).**
- 21 **511 IAC 6.1-4-1.**
- 22 **(4) Concerning graduation requirements, 511 IAC 6-7.**
- 23 **(5) Concerning pupil/principal ratios, 511 IAC 6-2-1(c)(4).**
- 24 **(6) Concerning the performance based accreditation system,**
- 25 **IC 20-1-1.2. However, the legal standards defined in**
- 26 **IC 20-1-1.2-1, not otherwise authorized to be waived under**
- 27 **this section, may not be waived.**
- 28 **Chapter 4. The Charter**
- 29 **Sec. 1. A charter must do the following:**
- 30 **(1) Be a written instrument.**
- 31 **(2) Be executed by a governing body and an organizer.**
- 32 **(3) Confer certain rights, privileges, and obligations on a**
- 33 **charter school.**
- 34 **(4) Confirm the status of a charter school as a public school.**
- 35 **(5) Be granted for:**
- 36 **(A) not less than three (3) years or more than five (5)**
- 37 **years; and**
- 38 **(B) a fixed number of years agreed to by the governing**

- 1 **body and the organizer.**
- 2 **(6) Provide for renewal, if the governing body and the**
- 3 **organizer agree to renew the charter.**
- 4 **(7) Specify the grounds for the governing body to:**
- 5 **(A) revoke the charter before the end of the term for**
- 6 **which the charter is granted, as set forth in**
- 7 **IC 20-5.5-5-5(b) and IC 20-5.5-8; or**
- 8 **(B) not renew a charter.**
- 9 **(8) Set forth the methods by which the charter school is held**
- 10 **accountable for achieving the educational mission and goals**
- 11 **of the charter school, including the following:**
- 12 **(A) Evidence of improvement in assessment measures,**
- 13 **attendance rates, and graduation rates (if appropriate)**
- 14 **and increased numbers of academic honors diplomas (if**
- 15 **appropriate).**
- 16 **(B) Evidence of progress toward reaching the**
- 17 **educational goals included in the charter.**
- 18 **(9) Describe the method to be used to monitor the charter**
- 19 **school's:**
- 20 **(A) compliance with applicable law; and**
- 21 **(B) performance in meeting targeted educational**
- 22 **performance.**
- 23 **(10) Specify that the governing body and the organizer may**
- 24 **amend the charter during the term of the charter by mutual**
- 25 **consent and describe the process for amending the charter.**
- 26 **(11) Describe specific operating requirements, including at**
- 27 **least all of the matters set forth in the application for the**
- 28 **charter.**
- 29 **(12) Specify the services that the school corporation will**
- 30 **provide to the charter school at cost.**
- 31 **(13) Specify the school corporation policies, if any, that will**
- 32 **apply to the charter school.**
- 33 **(14) Specify a date when the charter school will:**
- 34 **(A) begin school operations; and**
- 35 **(B) have students in attendance at the charter school.**
- 36 **(15) Specify that IC 20-7.5 applies to the establishment and**
- 37 **operation of the charter school.**
- 38 **(16) Subject to IC 20-5.5-7, describe the funding of the**

1 charter school.

2 **Chapter 5. Establishment**

3 **Sec. 1. Unless section 5 of this chapter applies, a governing**
 4 **body shall grant a charter to an organizer to operate a charter**
 5 **school under this article in a building described in IC 20-5.5-2-1.**
 6 **The governing body has authority to grant a charter:**

7 (1) **subject to the approval required by section 6 of this**
 8 **chapter, if applicable; and**

9 (2) **except as provided in section 8 of this chapter.**

10 **Sec. 2. The governing body may not grant a charter for a**
 11 **charter school to operate outside the geographic boundaries of the**
 12 **school corporation.**

13 **Sec. 3. An organizer may submit to the governing body a**
 14 **proposal to establish a charter school. A proposal must contain, at**
 15 **a minimum, the following information:**

16 (1) **Identification of the organizer.**

17 (2) **A description of the organizer's organizational structure**
 18 **and governance plan.**

19 (3) **The following information for the proposed charter**
 20 **school:**

21 (A) **Name.**

22 (B) **Purposes.**

23 (C) **Governance structure.**

24 (D) **Management structure.**

25 (E) **Educational mission goals.**

26 (F) **Curriculum and instructional methods.**

27 (G) **Methods of pupil assessment.**

28 (H) **Admission issues, subject to IC 20-5.5-2-2,**
 29 **IC 20-5.5-3-4, and IC 20-5.5-3-5.**

30 (I) **School calendar.**

31 (J) **School daily schedule.**

32 (K) **Age or grade range of pupils to be enrolled.**

33 (L) **A description of staff responsibilities.**

34 (M) **Budget and financial plans.**

35 (N) **Transportation plan.**

36 (O) **Discipline program.**

37 (P) **Plan for compliance with any applicable**
 38 **desegregation order.**

1 **(Q) The extent to which the charter school will be**
 2 **governed by school corporation policies.**

3 **(R) The date when the charter school is expected to:**
 4 **(i) begin school operations; and**
 5 **(ii) have students in attendance at the charter**
 6 **school.**

7 **(4) A statement that the charter school will comply with:**
 8 **(A) this article; and**
 9 **(B) federal and state laws applicable to public bodies or**
 10 **school corporations.**

11 **(5) Identification of the school corporation where the charter**
 12 **school will be located.**

13 **(6) The manner in which an annual audit of the**
 14 **programmatic operations of the charter school is to be**
 15 **conducted by the governing body.**

16 **Sec. 4. If the governing body grants a charter to establish a**
 17 **charter school, the governing body must provide a noncharter**
 18 **school that students of the same age or grade levels may attend.**

19 **Sec. 5. (a) The governing body may reject a proposal to**
 20 **establish a charter school if the governing body determines that**
 21 **there are significant and objective reasons to justify a finding by a**
 22 **reasonable person that at least one (1) of the following conditions**
 23 **exists:**

24 **(1) The application does not provide the information**
 25 **required under this chapter with enough detail to adequately**
 26 **substantiate or evaluate the proposal.**

27 **(2) The proposal is not likely to result in reasonable**
 28 **improvement in academic performance in accordance with**
 29 **the governing body's expectations and goals for the**
 30 **improvement of academic performance throughout the**
 31 **school corporation.**

32 **(3) There is not a substantial level of support in the**
 33 **community for the charter school.**

34 **(b) The governing body may revoke the charter of a charter**
 35 **school that does not by the date specified in the charter:**

36 **(1) begin school operations; and**
 37 **(2) have students in attendance at the charter school.**

38 **Sec. 6. Before granting a charter under which more than fifty**

1 **percent (50%) of the students in the school corporation will attend**
 2 **a charter school, the governing body must receive the approval of**
 3 **the board.**

4 **Sec. 7. (a) The governing body must notify the department and**
 5 **the board of the following:**

6 **(1) The receipt of a proposal.**

7 **(2) The acceptance of a proposal.**

8 **(3) The rejection of a proposal, including the reasons for the**
 9 **rejection, as listed in section 5 of this chapter.**

10 **(b) The department shall annually do the following:**

11 **(1) Compile the information received under subsection (a)**
 12 **into a report.**

13 **(2) Submit the report to the board and the general assembly.**

14 **Sec. 8. (a) This section applies if a governing body rejects a**
 15 **proposal to grant or extend a charter.**

16 **(b) The organizer may appeal the decision of the governing**
 17 **body to the board.**

18 **(c) Upon the request of an organizer, the board shall meet to**
 19 **consider the organizer's proposal and the governing body's reasons**
 20 **for rejecting the proposal. The board must allow the organizer and**
 21 **governing body to participate in the meeting.**

22 **(d) Following a meeting under subsection (c), the board shall:**

23 **(1) issue an advisory opinion to the organizer and the**
 24 **governing body that:**

25 **(A) supports the governing body's rejection of the**
 26 **proposal;**

27 **(B) recommends that the governing body approve the**
 28 **proposal; or**

29 **(C) recommends that the organizer amend the proposal**
 30 **and the governing body approve the amended proposal;**

31 **or**

32 **(2) direct the governing body to accept the proposal.**

33 **The board shall issue the advisory opinion under subdivision (1) or**
 34 **the directive under subdivision (2) not later than forty-five (45)**
 35 **days after the board receives the request for review.**

36 **(e) This subsection applies if the board acts under subsection**
 37 **(d)(1). Not later than forty-five (45) days after:**

38 **(1) receiving a recommendation from the board to approve**

1 a proposal; or
 2 (2) receiving an amended plan from the organizer that
 3 complies with a recommendation of the board;
 4 the governing body shall reconsider the proposal's rejection. The
 5 governing body may approve or reject the proposal upon
 6 reconsideration based upon the governing body's findings as listed
 7 in section 5 of this chapter. The decision of the governing body is
 8 final.

9 (f) This subsection applies if the board acts under subsection
 10 (d)(2). The decision of the board is final.

11 **Sec. 9. The governing body must include a charter school when**
 12 **complying with public notice requirements affecting public schools.**

13 **Chapter 6. Employment**

14 **Sec. 1. An individual who works at a charter school is an**
 15 **employee of the school corporation.**

16 **Sec. 2. (a) A teacher who is employed in the school corporation**
 17 **may not be required to teach in a charter school.**

18 **(b) The contract of a teacher shall not be canceled or otherwise**
 19 **not renewed because the teacher does not wish to teach in a charter**
 20 **school.**

21 **Sec. 3. In the charter, the organizer shall make**
 22 **accommodations through a documented procedure and in**
 23 **compliance with the collective bargaining agreement to do the**
 24 **following:**

- 25 **(1) Facilitate the transfer of teachers who:**
 - 26 **(A) were employed as teachers in the school building**
 - 27 **where the charter school is located immediately before**
 - 28 **the building was closed for traditional classroom**
 - 29 **purposes; and**
 - 30 **(B) do not wish to teach in a charter school;**
- 31 **into another appropriate public school within the school**
- 32 **corporation.**

33 **(2) Transfer teachers in the school corporation who wish to**
 34 **teach in the charter school to the charter school as openings**
 35 **permit.**

36 **Sec. 4. The establishment of a charter school or any action**
 37 **taken in connection with the establishment of a charter school is**
 38 **not grounds for the cancellation of an indefinite contract with a**

1 permanent or semipermanent teacher.

2 Sec. 5. The following apply to a teacher who is employed in a
3 noncharter school in the school corporation and transfers to a
4 charter school in the same school corporation or a teacher who
5 becomes employed in a charter school in a school corporation who
6 has not previously been a noncharter school teacher in the school
7 corporation:

8 (1) The teacher retains all rights and privileges bestowed
9 under IC 20-6.1-4, IC 20-6.1-5, and IC 20-6.1-6.

10 (2) The teacher does not lose the nonpermanent,
11 semipermanent, or permanent contract status with the
12 school corporation.

13 (3) The teacher continues to accrue years of service in the
14 same manner that the teacher accrued years of service in the
15 noncharter school for contract status, teacher retirement,
16 and seniority purposes.

17 Sec. 6. This article may not be construed to waive, modify, or
18 otherwise affect the terms of a collective bargaining agreement
19 negotiated under IC 20-7.5.

20 Chapter 7. Fiscal Matters

21 Sec. 1. (a) The organizer is the fiscal agent for the charter
22 school.

23 (b) Subject to all laws and rules concerning the accounting and
24 expenditure of public funds applicable to noncharter public
25 schools, the organizer has exclusive control of:

26 (1) funds received by the charter school; and

27 (2) financial matters of the charter school.

28 (c) The organizer shall maintain separate accountings of all
29 funds received and disbursed by the charter school.

30 Sec. 2. For purposes of computing:

31 (1) tuition support;

32 (2) state funding for any purpose; or

33 (3) average attendance statistics;

34 charter school students of a school corporation are counted in the
35 same manner as students of the school corporation who do not
36 attend a charter school.

37 Sec. 3. The department shall distribute:

38 (1) tuition support; and

1 **(2) state funding for any purpose;**
2 **for students in a charter school to the school corporation where the**
3 **charter school is located.**

4 **Sec. 4. (a) The governing body of the school corporation shall**
5 **pay to the fiscal agent of a charter school the amount provided in**
6 **the charter for operation of the charter school.**

7 **(b) Subject to subsection (c), a charter school or its fiscal agent**
8 **may not receive public funds on a per student basis for an amount**
9 **that is less than the school corporation's average annual per pupil**
10 **expenditures for noncharter schools during the two (2) years**
11 **before the year the charter school receives the public funds.**

12 **(c) For purposes of computing a school corporation's average**
13 **annual per pupil expenditures in a school corporation's noncharter**
14 **schools under subsection (b), the following apply:**

15 **(1) Expenditures may be considered only from the following**
16 **funds of the school corporation:**

17 **(A) The general fund (established under IC 21-2-11).**

18 **(B) The school transportation fund (established under**
19 **IC 21-2-11.5).**

20 **(2) Expenditures from school funds other than those funds**
21 **listed in subdivision (1) may not be used.**

22 **Sec. 5. Notwithstanding section 4 of this chapter, a**
23 **proportionate share of local, state, and federal funds received by**
24 **a school corporation for:**

25 **(1) students with disabilities; or**

26 **(2) staff services for students with disabilities;**

27 **shall be directed to a charter school that enrolls students with**
28 **disabilities.**

29 **Sec. 6. Notwithstanding section 4 of this chapter, a**
30 **proportionate share of funds generated by or received by a school**
31 **corporation under federal or state categorical aid programs shall**
32 **be directed to a charter school serving students who are eligible for**
33 **that federal or state aid.**

34 **Sec. 7. Services that a school corporation provides to a charter**
35 **school, including transportation, must be provided at cost.**

36 **Sec. 8. A charter school may apply for and accept for the**
37 **charter school:**

38 **(1) independent financial grants; or**

1 (2) funds from public or private sources other than the
2 school corporation of which the charter school is a part.

3 **Sec. 9.** A debt that a school corporation has incurred for the
4 building where the charter school is located continues as the debt
5 of the school corporation and does not become a debt of the charter
6 school.

7 **Chapter 8. Oversight and Revocation**

8 **Sec. 1.** An organizer that has established a charter school shall
9 submit an annual report to the department for informational and
10 research purposes and to the board for the board's review.

11 **Sec. 2.** An annual report under this chapter must contain the
12 following information for a charter school:

- 13 (1) Results of all standardized testing.
14 (2) A description of the educational methods and teaching
15 methods employed.
16 (3) Daily attendance records.
17 (4) Graduation statistics.
18 (5) Student enrollment data, including the following:
19 (A) The number of students enrolled.
20 (B) The number of students expelled.
21 (C) The number of students who discontinued
22 attendance at the charter school and the reasons for the
23 discontinuation.

24 **Sec. 3.** The governing body shall oversee a charter school's
25 compliance with:

- 26 (1) the charter; and
27 (2) all applicable law.

28 **Sec. 4.** A governing body that grants a charter may revoke the
29 charter at any time before the expiration of the term of the charter
30 if the governing body determines that at least one (1) of the
31 following occurs:

- 32 (1) The organizer fails to comply with the conditions
33 established in the charter.
34 (2) The charter school established by the organizer fails to
35 meet the educational goals set forth in the charter.
36 (3) The organizer fails to comply with all applicable laws.

37 **Sec. 5. (a)** An organizer that has a charter that is revoked by
38 the governing body under section 4 of this chapter may appeal the

1 revocation to the board.

2 (b) Upon the request of the organizer, the board shall meet to
3 consider the appeal and the governing body's reason for revoking
4 the charter. The board must allow the organizer and the governing
5 body to participate in the meeting. Following the meeting, the
6 board shall either:

7 (1) issue an advisory opinion to the organizer and the
8 governing body that:

9 (A) supports the governing body's revocation of the
10 charter; or

11 (B) recommends that the governing body rescind the
12 revocation of the charter; or

13 (2) direct the governing body to rescind the revocation of the
14 charter.

15 (c) The board shall issue the advisory opinion under subsection
16 (b)(1) or the directive under subsection (b)(2) not later than
17 forty-five (45) days after the board receives the appeal.

18 (d) This subsection applies if the board acts under subsection
19 (b)(1). Not later than forty-five (45) days after receiving a
20 recommendation from the board to rescind the revocation of a
21 charter, the governing body shall reconsider the revocation of the
22 charter based upon the grounds for revocation listed in section 4
23 of this chapter. The governing body may rescind the revocation or
24 invoke the revocation. The decision of the governing body is final.

25 (e) This subsection applies if the board acts under subsection
26 (b)(2). The decision of the board is final.

27 **Sec. 6. A charter school shall report the following to the**
28 **governing body:**

- 29 (1) Attendance records.
- 30 (2) Student performance data.
- 31 (3) Financial information.

(4) Any information necessary for the local school

corporation to comply with state and federal government requirements.

SECTION 2. An emergency is declared for this act.

(Reference is to HB 1347 as introduced.)

and when so amended that said bill do pass.

Representative Bauer