

SENATE BILL No. 85

DIGEST OF SB85 (Updated January 20, 1998 3:01 pm - DI 71)

Citations Affected: IC 20-5.5.

Synopsis: Charter schools. Allows the governing body of a school corporation to issue a charter to an organizer to establish a charter school within the school corporation. Provides an appeal to a panel that includes the superintendent of public instruction and two members of the state board of education when a charter school proposal is not accepted but at least one-third of the members of the governing body favor the proposal. Allows the establishment of a regional charter school under a charter issued by the governing bodies of two or more school corporations. Allows the conversion of an existing public school to a charter school if at least 50% of the teachers and 50% of the parents approve of the conversion. Sets forth the organization, powers,
(Continued next page)

Effective: Upon passage.

Lubbers

January 6, 1998, read first time and referred to Committee on Education.
January 15, 1998, amended, reported favorably — Do Pass.
January 20, 1998, read second time, amended, ordered engrossed.

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Digest Continued

method of establishment, charter contents, policies, oversight, and restrictions for charter schools. Provides that a decision concerning the establishment of a charter school may not be restrained by a collective bargaining agreement. Requires the charter to establish whether collective bargaining applies to a charter school and the bargaining unit for the charter school. Requires all charter school teachers to hold a license to teach in a public school. Provides that if a school corporation eliminates a teaching position in a noncharter school because of a charter school, the legal or contractual provisions, if any, otherwise applicable to a teacher continue to apply to that teacher.

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Reprinted
January 21, 1998

Second Regular Session 110th General Assembly (1998)

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 1997 General Assembly.

SENATE BILL No. 85

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

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- 1 **(1) is nonsectarian and nonreligious; and**
- 2 **(2) operates:**
 - 3 **(A) under a charter; and**
 - 4 **(B) as a part of a school corporation.**
- 5 **Sec. 5. "Department" refers to the department of education**
- 6 **established by IC 20-1-1.1-2.**
- 7 **Sec. 6. "Elementary school" has the meaning set forth in**
- 8 **IC 20-10.1-1-15.**
- 9 **Sec. 7. "Governing body" has the meaning set forth in**
- 10 **IC 20-5-1-3(b).**
- 11 **Sec. 8. "Home based instruction" means instruction that:**
 - 12 **(1) a parent establishes, organizes, and directs for education**
 - 13 **of the parent's child; and**
 - 14 **(2) excuses a child from compulsory school attendance under**
 - 15 **IC 20-8.1-3-34.**
- 16 **Sec. 9. "Organizer" refers to a group or an entity that enters**
- 17 **into a contract under this article to operate a charter school.**
- 18 **Sec. 10. "Panel" refers to the charter school review panel**
- 19 **created under IC 20-5.5-5-9.**
- 20 **Sec. 11. "Parent" has the meaning set forth in IC 20-1-1.8-8.**
- 21 **Sec. 12. "Proposal" refers to a proposal from an organizer to**
- 22 **establish a charter school.**
- 23 **Sec. 13. "Public school" has the meaning set forth in**
- 24 **IC 20-10.1-1-2.**
- 25 **Sec. 14. "Regional charter school" means a charter school**
- 26 **established jointly by two (2) or more school corporations.**
- 27 **Sec. 15. "School corporation" has the meaning set forth in**
- 28 **IC 20-5-1-3(a).**
- 29 **Sec. 16. "Secondary school" refers to a high school (as defined**
- 30 **in IC 20-10.1-1-16).**
- 31 **Sec. 17. "Teacher" has the meaning set forth in IC 20-6.1-1-8.**
- 32 **Chapter 2. Description**
 - 33 **Sec. 1. A charter school may be established under this article**
 - 34 **to provide innovative and autonomous programs to do the**
 - 35 **following:**
 - 36 **(1) Serve the different learning styles and needs of public**
 - 37 **school students.**
 - 38 **(2) Offer public school students appropriate and innovative**
 - 39 **choices.**
 - 40 **(3) Afford varied opportunities for professional educators.**
 - 41 **(4) Allow public schools freedom and flexibility in exchange**
 - 42 **for exceptional levels of accountability.**

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1 (5) Provide parents, students, community members, and local
2 entities with an expanded opportunity for involvement in the
3 public school system.

4 Sec. 2. A charter school is subject to all federal and state laws
5 and constitutional provisions that prohibit discrimination on the
6 basis of the following:

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

14 **Chapter 3. Powers and Exemptions**

15 **Sec. 1. A charter school may do the following:**

- 16 (1) Sue and be sued in its own name.
- 17 (2) For educational purposes, acquire real and personal
18 property or an interest in real and personal property by
19 purchase, gift, grant, devise, or bequest.
- 20 (3) Convey property.
- 21 (4) Enter into contracts in its own name, including contracts
22 for services.

23 **Sec. 2. A charter school may not do the following:**

- 24 (1) Operate at a site or for grades other than as specified in
25 the charter.
- 26 (2) Charge tuition to any student residing within the school
27 corporation's geographic boundaries. However, a charter
28 school may charge tuition for:
 - 29 (A) a preschool program, unless charging tuition for the
30 preschool program is barred under federal law; or
 - 31 (B) a latch key program;
- 32 if the charter school provides those programs.
- 33 (3) Except for a foreign exchange student who is not a United
34 States citizen, enroll a pupil who is not a resident of Indiana.
- 35 (4) Except for a regional charter school, operate outside the
36 geographic boundaries of the school corporation that grants
37 the charter to the charter school.
- 38 (5) Be located in a private residence.
- 39 (6) Provide home based instruction.

40 **Sec. 3. For each charter school established under this article,**
41 **the charter school and the organizer are accountable to the**
42 **governing body for ensuring compliance with:**

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- 1 (1) applicable federal and state laws;
 2 (2) the charter; and
 3 (3) the Constitution of the State of Indiana.
- 4 **Sec. 4. (a) A governing body must set geographic boundaries**
 5 **for a charter school.**
- 6 (b) Unless otherwise specified in a charter school contract, a
 7 governing body must make enrollment at a charter school available
 8 to all students who reside within the geographic boundaries for the
 9 charter school.
- 10 (c) A governing body may make enrollment at a charter school
 11 available to students who:
- 12 (1) reside within the school corporation boundaries; and
 13 (2) do not reside within the geographic boundaries for the
 14 charter school.
- 15 **Sec. 5. A charter school may do the following:**
- 16 (1) Include any grade or any configuration of grades
 17 specified in the charter, including the following:
- 18 (A) Early childhood education.
 19 (B) Kindergarten.
 20 (C) Grades 1 through 12.
- 21 (2) Limit admission to pupils who are within a particular age
 22 range or grade level.
- 23 **Sec. 6. Except as specifically provided in this article and the**
 24 **statutes listed in section 7 of this chapter, the following do not**
 25 **apply to a charter school:**
- 26 (1) Any Indiana statute or a rule or guideline adopted by the
 27 Indiana state board of education or the Indiana professional
 28 standards board (established by IC 20-1-1.4-2) relating to:
- 29 (A) education, including curriculum and textbooks;
 30 (B) teachers; or
 31 (C) schools.
- 32 (2) A local regulation or policy adopted by a school
 33 corporation unless specifically incorporated in the charter.
- 34 **Sec. 7. The following statutes and rules and guidelines adopted**
 35 **under the following statutes apply to a charter school:**
- 36 (1) IC 20-1-1.5 (unified accounting system).
 37 (2) IC 20-1-6 (special education).
 38 (3) IC 20-5-2-3 (subject to laws requiring regulation by state
 39 and federal agencies).
 40 (4) IC 20-6.1-4-15 (void teacher contract when two (2)
 41 contracts are signed).
 42 (5) IC 20-6.1-6-11 (nondiscrimination for teacher marital

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- 1 status).
- 2 (6) IC 20-6.1-6-13 (teacher freedom of association).
- 3 (7) IC 20-6.1-6-15 (school counselor immunity).
- 4 (8) IC 20-8.1-3 (compulsory education).
- 5 (9) IC 20-8.1-7 and IC 20-8.1-8 (health and safety measures).
- 6 (10) IC 20-8.1-9-3 (exemption from school fees for eligible
- 7 families and fee reimbursement).
- 8 (11) IC 20-8.1-9-5 (notice to parents concerning financial
- 9 assistance).
- 10 (12) IC 20-8.1-12 (reporting of student violations of law).
- 11 (13) IC 20-10.1-2-1 and IC 20-10.1-2-2 (minimum school day,
- 12 instructional days, and year).
- 13 (14) IC 20-10.1-2-4 and IC 20-10.1-2-6 (patriotic
- 14 commemorative observances).
- 15 (15) IC 20-10.1-16, IC 20-10.1-17, or any other statute, rule,
- 16 or guideline related to standardized testing (assessment
- 17 programs, including remediation under the assessment
- 18 programs).
- 19 (16) IC 20-10.1-22.4 (parental access to education records).
- 20 (17) IC 5-11-1-9 (requiring audit by state board of accounts).
- 21 **Chapter 4. The Charter**
- 22 **Sec. 1. A charter must do the following:**
- 23 (1) Be a written instrument.
- 24 (2) Be executed by a governing body and an organizer.
- 25 (3) Confer certain rights, franchises, privileges, and
- 26 obligations on a charter school.
- 27 (4) Confirm the status of a charter school as a public school.
- 28 (5) Be granted for:
- 29 (A) not less than three (3) years; and
- 30 (B) a fixed number of years agreed to by the governing
- 31 body and the organizer.
- 32 (6) Provide for renewal, if the governing body and the
- 33 organizer agree to renew the charter.
- 34 (7) Specify the grounds for the governing body to:
- 35 (A) revoke the charter before the end of the term for
- 36 which the charter is granted; or
- 37 (B) not renew a charter.
- 38 (8) Set forth the methods by which the charter school is held
- 39 accountable for achieving the educational mission and goals
- 40 of the charter school, including the following:
- 41 (A) Evidence of improvement in assessment measures,
- 42 attendance rates, and graduation rates (if appropriate),



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- 1 and increased numbers of academic honors diplomas.
 2 (B) Evidence of progress toward reaching the
 3 educational goals set by the governing body.
 4 (9) Describe the method to be used to monitor the charter
 5 school's:
 6 (A) compliance with applicable law; and
 7 (B) performance in meeting targeted educational
 8 performance.
 9 (10) Specify that the governing body and the organizer may
 10 amend the charter during the term of the charter by mutual
 11 consent and describe the process for amending the charter.
 12 (11) Describe specific operating requirements, including at
 13 least all of the matters set forth in the application for the
 14 charter.
 15 (12) Specify the compensation that the governing body shall
 16 pay to the charter school and its fiscal agent.
 17 (13) Specify the school corporation policies, if any, that will
 18 apply to the charter school.
 19 (14) Specify a date when the charter school will:
 20 (A) begin school operations; and
 21 (B) have students in attendance at the charter school.
 22 (15) Specify:
 23 (A) whether IC 20-7.5 applies to the charter school; and
 24 (B) if IC 20-7.5 applies to the charter school, whether
 25 the charter school is:
 26 (i) a separate bargaining unit; or
 27 (ii) included in a bargaining unit of the school
 28 corporation.
 29 (16) Specify that records of a charter school relating to the
 30 school's operation and charter are subject to inspection and
 31 copying to the same extent that records of a public school are
 32 subject to inspection and copying under IC 5-14-3.
 33 (17) Specify that records provided by the charter school to
 34 the department or governing body that relate to compliance
 35 by the operator with the terms of the charter or applicable
 36 state or federal laws are subject to inspection and copying in
 37 accordance with IC 5-14-3.
 38 (18) Specify that the charter school is subject to the
 39 requirements of IC 5-14-1.5.

40 Chapter 5. Establishment

41 Sec. 1. A governing body may grant a charter to an organizer
 42 to operate a charter school under this article. The governing body



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- 1 has final authority to grant a charter:
- 2 (1) subject to the approval required by section 7 of this
- 3 chapter, if applicable; and
- 4 (2) except as provided in section 9 of this chapter.
- 5 Sec. 2. A governing body may not grant a charter to a
- 6 for-profit organizer.
- 7 Sec. 3. Except for a regional charter school, the governing
- 8 body may not grant a charter for a charter school to operate
- 9 outside the geographic boundaries of the school corporation.
- 10 Sec. 4. An organizer may submit to the governing body a
- 11 proposal to establish a charter school. A proposal must contain, at
- 12 a minimum, the following information:
- 13 (1) Identification of the organizer.
- 14 (2) A description of the organizer's organizational structure
- 15 and governance plan.
- 16 (3) The following information for the proposed charter
- 17 school:
- 18 (A) Name.
- 19 (B) Purposes.
- 20 (C) Governance structure.
- 21 (D) Management structure.
- 22 (E) Educational mission goals.
- 23 (F) Curriculum and instructional methods.
- 24 (G) Methods of pupil assessment.
- 25 (H) Admission policy and criteria, subject to
- 26 IC 20-5.5-2-2, IC 20-5.5-3-4, and IC 20-5.5-3-5.
- 27 (I) School calendar.
- 28 (J) School daily schedule.
- 29 (K) Age or grade range of pupils to be enrolled.
- 30 (L) A description of staff responsibilities.
- 31 (M) A description and the address of the physical plant.
- 32 (N) Budget and financial plans.
- 33 (O) Personnel plan, including methods for selection,
- 34 retention, and compensation of employees.
- 35 (P) Transportation plan.
- 36 (Q) Discipline program.
- 37 (R) Plan for compliance with any applicable
- 38 desegregation order.
- 39 (S) The extent to which the charter school will be
- 40 governed by school corporation policies.
- 41 (T) The date when the charter school is expected to:
- 42 (i) begin school operations; and



- 1 (ii) have students in attendance at the charter
2 school.
- 3 (U) A specification of whether liability insurance for the
4 charter school will be provided by the organizer or by
5 the school corporation.
- 6 (4) A statement that the charter school will comply with:
7 (A) this article; and
8 (B) federal and state laws applicable to public bodies or
9 school corporations.
- 10 (5) Identification of the school corporation where the charter
11 school will be located.
- 12 (6) The compensation that the school corporation shall pay
13 to the organizer.
- 14 (7) The manner in which an annual audit of the
15 programmatic operations of the charter school is to be
16 conducted by the governing body.
- 17 Sec. 5. (a) Except as provided in subsection (b), if the
18 governing body grants a charter to establish a charter school, the
19 governing body must provide a noncharter school that students of
20 the same age or grade levels may attend.
- 21 (b) The department may waive the requirement that a
22 governing body provide a noncharter school under subsection (a)
23 upon the request of the governing body.
- 24 Sec. 6. The governing body may revoke the charter of a
25 charter school that does not by the date specified in the charter:
26 (1) begin school operations; and
27 (2) have students in attendance at the charter school.
- 28 Sec. 7. Before granting a charter under which more than fifty
29 percent (50%) of the students in the school corporation will attend
30 a charter school, the governing body must receive the approval of
31 the department.
- 32 Sec. 8. (a) The governing body must notify the department of
33 the following:
34 (1) The receipt of a proposal.
35 (2) The acceptance of a proposal.
36 (3) The rejection of a proposal, including the reasons for the
37 rejection, the number of members of the governing body
38 favoring the proposal, and the number of members of the
39 governing body not favoring the proposal.
- 40 (b) The department shall annually do the following:
41 (1) Compile the information received under subsection (a)
42 into a report.

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(2) Submit the report to the general assembly.

Sec. 9. (a) This section applies if:

(1) a governing body rejects a proposal; and

(2) at least one-third (1/3) of the members of the governing body favor the proposal.

(b) The organizer may appeal the decision of the governing body to the charter school review panel created under subsection (c).

(c) The charter school review panel is created. The members of the panel are the superintendent of public instruction and two (2) members of the board who are appointed by the superintendent of public instruction.

(d) Upon the request of an organizer, the panel shall meet to consider the organizer's proposal and the governing body's reasons for rejecting the proposal. The panel must allow the organizer and governing body to participate in the meeting.

(e) Following a meeting under subsection (d), the panel shall issue an advisory opinion to the organizer and the governing body that:

(1) supports the governing body's rejection of the proposal;

(2) recommends that the governing body approve the proposal; or

(3) recommends that the organizer amend the proposal and the governing body approve the amended proposal.

The panel shall issue the advisory opinion not later than forty-five (45) days after the panel receives the request for review.

(f) Not later than forty-five (45) days after:

(1) receiving a recommendation from the panel to approve a proposal; or

(2) receiving an amended plan from the organizer that complies with a recommendation of the panel;

the governing body shall reconsider the proposal's rejection. The governing body may approve or reject the proposal upon reconsideration. The decision of the governing body is final.

Sec. 10. The governing body must include a charter school when complying with public notice requirements affecting public schools.

Chapter 6. Regional Charter Schools

Sec. 1. The governing bodies of two (2) or more school corporations may grant a charter to an organizer to operate a regional charter school under this article.

Sec. 2. An organizer may submit to the governing bodies of

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1 two (2) or more school corporations a proposal to establish a
2 regional charter school. A proposal must contain, at a minimum,
3 the following information:

- 4 (1) Identification of the organizer.
- 5 (2) A description of the organizer's organizational structure
6 and governance plan.
- 7 (3) The following information for the proposed regional
8 charter school:
 - 9 (A) Name.
 - 10 (B) Purposes.
 - 11 (C) Governance structure.
 - 12 (D) Management structure.
 - 13 (E) Educational mission goals.
 - 14 (F) Curriculum and instructional methods.
 - 15 (G) Methods of pupil assessment.
 - 16 (H) Admission policy and criteria, subject to
17 IC 20-5.5-2-2, IC 20-5.5-3-4, and IC 20-5.5-3-5.
 - 18 (I) School calendar.
 - 19 (J) School daily schedule.
 - 20 (K) Age or grade range of pupils to be enrolled.
 - 21 (L) A description of staff responsibilities.
 - 22 (M) A description and the address of the physical plant.
 - 23 (N) Budget and financial plans.
 - 24 (O) Personnel plan, including methods for selection,
25 retention, and compensation of employees.
 - 26 (P) Transportation plan.
 - 27 (Q) Discipline program.
 - 28 (R) Plan for compliance with any applicable
29 desegregation order.
 - 30 (S) The extent to which the regional charter school will
31 be governed by the policies of the school corporations.
 - 32 (T) The date when the regional charter school is
33 expected to:
 - 34 (i) begin school operations; and
 - 35 (ii) have students in attendance at the regional
36 charter school.
 - 37 (U) A specification of whether liability insurance for the
38 regional charter school will be provided by the
39 organizer or by the school corporations.
- 40 (4) A statement that the regional charter school will comply
41 with:
 - 42 (A) this article; and

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(B) federal and state laws applicable to public bodies or school corporations.

(5) Identification of the school corporation where the regional charter school will be located.

(6) The compensation that the school corporations shall pay to the organizer, including the percentage of compensation provided by each school corporation.

(7) The manner in which an annual audit of the programmatic operations of the regional charter school is to be conducted by the governing bodies.

Sec. 3. (a) The governing bodies of each school corporation that has granted a charter for a regional charter school must act jointly to revoke the charter of a regional charter school that does not by the date specified in the charter:

- (1) begin school operations; and
- (2) have students in attendance at the regional charter school.

(b) If the governing body of one (1) school corporation that has granted a charter for a regional charter school wishes to cease participation in a regional charter school, the governing bodies of the school corporations that wish to continue participation in a regional charter school must grant a new charter to an organizer to operate a regional charter school under this article.

Sec. 4. (a) Each governing body must notify the department of the following concerning a regional charter school:

- (1) The receipt of a proposal.
- (2) The acceptance of a proposal.
- (3) The rejection of a proposal, including the reasons for the rejection, the number of members of the governing body favoring the proposal, and the number of members of the governing body not favoring the proposal .

(b) The department shall annually do the following:

- (1) Compile the information received under subsection (a) into a report.
- (2) Submit the report to the general assembly.

Sec. 5. A proposal to establish a regional charter school must be approved by a majority of the members of each governing body to which the proposal was submitted.

Sec. 6. (a) This section applies if:

- (1) a governing body rejects a proposal to establish a regional charter school; and
- (2) at least one-third (1/3) of the members of each governing

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1 body to which the proposal was submitted favor the proposal
2 as evidenced by the minutes of each governing body.
3 (b) The organizer may appeal the decision of the governing
4 bodies to the charter school review panel created under subsection
5 (c).
6 (c) The charter school review panel is created. The members
7 of the panel are the superintendent of public instruction and two
8 (2) members of the board who are appointed by the superintendent
9 of public instruction.
10 (d) Upon the request of an organizer, the panel shall meet to
11 consider the organizer's proposal and the governing bodies'
12 reasons for rejecting the proposal. The panel must allow the
13 organizer and governing bodies to participate in the meeting.
14 (e) Following a meeting under subsection (d), the panel shall
15 issue an advisory opinion to the organizer and the governing bodies
16 that:
17 (1) supports the governing bodies' rejection of the proposal;
18 (2) recommends that the governing bodies approve the
19 proposal; or
20 (3) recommends that the organizer amend the proposal and
21 the governing bodies approve the amended proposal.
22 The panel shall issue the advisory opinion not later than forty-five
23 (45) days after the panel receives the request for review.
24 (f) Not later than forty-five (45) days after:
25 (1) receiving a recommendation from the panel to approve a
26 proposal; or
27 (2) receiving an amended plan from the organizer that
28 complies with a recommendation of the panel;
29 the governing bodies shall reconsider the proposal's rejection. The
30 governing bodies may approve or reject the proposal upon
31 reconsideration. The decision of the governing bodies is final.
32 Sec. 7. A governing body must include a regional charter
33 school in which the school corporation participates when
34 complying with public notice requirements affecting public schools.
35 Chapter 7. Conversion of Existing Schools into Charter
36 Schools
37 Sec. 1. An existing public elementary or secondary school may
38 be converted into a charter school if the following conditions apply:
39 (1) At least fifty percent (50%) of the teachers at the school
40 have signed a petition requesting the conversion.
41 (2) At least fifty percent (50%) of the parents of students at
42 the school have signed a petition requesting the conversion.

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1 **Sec. 2. If the conditions of section 1 of this chapter are met, the**
2 **teachers and parents may appoint a committee to act as organizers**
3 **for the charter school.**

4 **Sec. 3. The organizers shall submit a proposal under**
5 **IC 20-5.5-5 to convert an existing school to a charter school.**

6 **Chapter 8. Employment**

7 **Sec. 1. Individuals who work at a charter school are employees**
8 **of the charter school or of an entity with which the charter school**
9 **has contracted to provide services, including instructional services.**

10 **Sec. 2. The following apply to teachers in a charter school:**
11 **(1) A teacher must have a four (4) year college degree from**
12 **an accredited institution.**
13 **(2) Teachers in a charter school must hold a license to teach**
14 **in a public school.**

15 **Sec. 3. (a) A charter school shall participate in the following:**
16 **(1) The Indiana state teachers' retirement fund in**
17 **accordance with IC 21-6.1.**
18 **(2) The public employees' retirement fund in accordance**
19 **with IC 5-10.3.**

20 **(b) A person who teaches in a charter school is a member of**
21 **the Indiana state teachers' retirement fund. Service in a charter**
22 **school is creditable service for purposes of IC 21-6.1.**

23 **(c) A person who:**
24 **(1) is a local school employee of a charter school; and**
25 **(2) is not eligible to participate in the Indiana state teachers'**
26 **retirement fund;**
27 **is a member of the public employees' retirement fund.**

28 **(d) The boards of the Indiana state teachers' retirement fund**
29 **and the public employees' retirement fund shall implement this**
30 **section through the school corporation of which the charter school**
31 **is a part, subject to and conditioned upon receiving any approvals**
32 **either board considers appropriate from the Internal Revenue**
33 **Service and the United States Department of Labor.**

34 **Sec. 4. (a) The decision by a school corporation whether to**
35 **grant a charter shall not be subject to restraint by the collective**
36 **bargaining agreement.**

37 **(b) Individuals shall choose to be teachers at a charter school**
38 **voluntarily, and a charter school shall choose such individuals to**
39 **be its teachers voluntarily.**

40 **(c) As a school corporation grants a charter to a charter school**
41 **and individuals choose and are chosen by the charter school to**
42 **teach in the charter school, the school corporation may make such**

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1 personnel adjustments among its teachers in its noncharter schools
 2 as it believes are necessary or appropriate to match existing
 3 resources with existing needs in its noncharter schools. If, as part
 4 of such adjustments, the school corporation eliminates a teaching
 5 position within the corporation, the legal or contractual provisions,
 6 if any, otherwise applicable to a teacher in one (1) of its noncharter
 7 schools whose contract with the school corporation is canceled as
 8 a result of the elimination of the position within the school
 9 corporation shall continue to apply to that teacher.

10 **Sec. 5.** The governing body must grant a transfer for not more
 11 than five (5) years to a teacher of a noncharter school in the school
 12 corporation who wishes to teach and has been accepted to teach at
 13 a charter school within the school corporation. During the term of
 14 the transfer:

15 (1) the teacher's seniority status under law continues as if the
 16 teacher were an employee of a noncharter school in the
 17 school corporation; and

18 (2) the teacher's years as a charter school employee shall not
 19 be considered for purposes of permanent or semipermanent
 20 status with the school corporation under IC 20-6.1-4.

21 **Chapter 9. Fiscal Matters**

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

24 (b) The organizer has exclusive control of:

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

26 (2) financial matters of the charter school.

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

29 **Sec. 2.** For purposes of computing:

30 (1) state tuition support;

31 (2) state funding for any purpose; or

32 (3) average attendance statistics;

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

36 **Sec. 3.** The department shall distribute:

37 (1) tuition support; and

38 (2) state funding for any purpose;

39 for students in a charter school to the school corporation where the
 40 charter school is located.

41 **Sec. 4.** (a) The governing body of the school corporation shall
 42 pay to the fiscal agent of a charter school the amount provided in

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the charter for operation of the charter school.

(b) Subject to subsection (c), a charter school or its fiscal agent may not receive public funds on a per student basis for an amount that exceeds the school corporation's average annual per pupil expenditures for noncharter schools during the two (2) years before the execution of a charter.

(c) For purposes of computing a school corporation's average annual per pupil expenditures in a school corporation's noncharter schools under subsection (b):

(1) only expenditures from the school corporation's general fund (established under IC 21-2-11) and school transportation fund (established under IC 21-2-11.5) may be considered; and

(2) expenditures from other school funds may not be used.

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

- (1) students with disabilities; or
- (2) staff services for students with disabilities;

may be directed to a charter school that enrolls students with disabilities.

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

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

Sec. 8. An operator may apply for and accept for a charter school:

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

Chapter 10. Oversight and Revocation

Sec. 1. An organizer that has established a charter school shall submit an annual report to the department for informational and research purposes.

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

- (1) Results of all standardized testing.
- (2) A description of the educational methods and teaching methods employed.

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- 1 **(3) Daily attendance records.**
- 2 **(4) Graduation statistics.**
- 3 **(5) Student enrollment data, including the following:**
- 4 **(A) The number of students enrolled.**
- 5 **(B) The number of students expelled.**
- 6 **(C) The number of students who discontinued**
- 7 **attendance at the charter school and the reasons for the**
- 8 **discontinuation.**
- 9 **Sec. 3. The governing body shall oversee a charter school's**
- 10 **compliance with:**
- 11 **(1) the charter; and**
- 12 **(2) all applicable law.**
- 13 **Sec. 4. Notwithstanding the provisions of the charter, a**
- 14 **governing body that grants a charter may revoke the charter at**
- 15 **any time before the expiration of the term of the charter if the**
- 16 **governing body determines that at least one (1) of the following**
- 17 **occurs:**
- 18 **(1) The organizer fails to comply with the conditions**
- 19 **established in the charter.**
- 20 **(2) The charter school established by the organizer fails to**
- 21 **meet the educational goals set forth in the charter.**
- 22 **(3) The organizer fails to comply with all applicable laws.**
- 23 **(4) The organizer fails to meet generally accepted**
- 24 **government accounting principles.**
- 25 **(5) One (1) or more grounds for revocation exist as specified**
- 26 **in the charter.**
- 27 **Sec. 5. 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.**
- 32 **(4) Any information necessary for the local school**
- 33 **corporation to comply with state and federal government**
- 34 **requirements.**
- 35 **Chapter 11. Student Transfers from Charter Schools**
- 36 **Sec. 1. A public noncharter school that receives a transfer**
- 37 **student from a charter school may not discriminate against the**
- 38 **student in any way, including placing the student:**
- 39 **(1) in an inappropriate age group according to the student's**
- 40 **ability;**
- 41 **(2) below the student's abilities; or**
- 42 **(3) in a class where the student has already mastered the**

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1 **subject matter.**
2 **SECTION 2. An emergency is declared for this act.**

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COMMITTEE REPORT

Mr. President: The Senate Committee on Education, to which was referred Senate Bill 85, 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:

Page 4, line 37, after "state" insert "**and federal**".

Page 6, between lines 36 and 37, begin a new line block indented and insert:

"(18) Specify that the charter school is subject to the requirements of IC 5-14-1.5."

Page 12, line 38, delete "IC 20-5.5-6" and insert "**IC 20-5.5-5**".

and when so amended that said bill do pass.

(Reference is to Senate Bill 85 as introduced.)

WEATHERWAX, Chairperson

Committee Vote: Yeas 7, Nays 4.

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SENATE MOTION

Mr. President: I move that Senate Bill 85 be amended to read as follows:

Page 11, line 10, after "3." insert "(a)".

Page 11, line 11, delete "may" and insert "**must**".

Page 11, between lines 16 and 17, begin a new paragraph and insert:

"(b) If the governing body of one (1) school corporation that has granted a charter for a regional charter school wishes to cease participation in a regional charter school, the governing bodies of the school corporations that wish to continue participation in a regional charter school must grant a new charter to an organizer to operate a regional charter school under this article."

Page 16, delete lines 37 through 42.

(Reference is to Senate Bill 85 as printed January 16, 1998.)

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