

Adopted	Rejected
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COMMITTEE REPORT

YES:	10
NO:	4

MR. SPEAKER:

*Your Committee on Education, to which was referred Senate Bill 481, 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 Page 1, delete lines 1 through 15, begin a new paragraph and insert:
- 2 "SECTION 1. IC 20-5.5 IS ADDED TO THE INDIANA CODE AS
- 3 A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE UPON
- 4 PASSAGE]:
- 5 **ARTICLE 5.5. CHARTER SCHOOLS**
- 6 **Chapter 1. Definitions**
- 7 **Sec. 1. The definitions in this chapter apply throughout this**
- 8 **article.**
- 9 **Sec. 2. "Board" refers to the Indiana state board of education**
- 10 **established by IC 20-1-1-1.**
- 11 **Sec. 3. "Charter" means a contract between an organizer and**
- 12 **a sponsor for the establishment of a charter school.**
- 13 **Sec. 4. "Charter school" means a public elementary school or**
- 14 **secondary school established under this article that:**
- 15 **(1) is nonsectarian and nonreligious;**
- 16 **(2) does not provide homeschool instruction;**

- 1 (3) is not a virtual school; and
- 2 (4) operates under a charter.

3 **Sec. 5. "Department"** refers to the department of education
 4 established by IC 20-1-1.1-2.

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

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

9 **Sec. 8. "Homeschool instruction"** means instruction that:

- 10 (1) a parent establishes, organizes, and directs for education
- 11 of the parent's child; and
- 12 (2) provides instruction equivalent to that given in the public
- 13 schools.

14 **Sec. 9. "Organizer"** refers to a nonprofit group or entity that
 15 enters into a contract under this article to operate a charter school.

16 **Sec. 10. "Parent"** has the meaning set forth in IC 20-1-1.8-8.

17 **Sec. 11. "Proposal"** refers to a proposal from an organizer to
 18 establish a charter school.

19 **Sec. 12. "Public school"** has the meaning set forth in
 20 IC 20-10.1-1-2.

21 **Sec. 13. "Regional charter school"** means a charter school
 22 established jointly by two (2) or more school corporations.

23 **Sec. 14. "School corporation"** has the meaning set forth in
 24 IC 20-5-1-3(a).

25 **Sec. 15. "Secondary school"** refers to a high school (as defined
 26 in IC 20-10.1-1-16).

27 **Sec. 16. "Sponsor"** means the following:

- 28 (1) For a charter school, a governing body.
- 29 (2) For a regional charter school, two (2) or more governing
- 30 bodies acting jointly.

31 **Sec. 17. "Teacher"** means a school employee (as defined in
 32 IC 20-7.5-1-2(e)).

33 **Chapter 2. Description**

34 **Sec. 1. A charter school may be established under this article to**
 35 **provide innovative, research based, and autonomous programs**
 36 **that do the following:**

- 37 (1) Serve the different learning styles and needs of public
- 38 school students to better meet the needs of public school

- 1 students.
- 2 (2) Offer public school students appropriate and innovative
- 3 choices that have the potential to be replicated in other public
- 4 schools.
- 5 (3) Afford varied opportunities for professional educators.
- 6 (4) Allow public schools freedom and flexibility in exchange
- 7 for exceptional levels of accountability.
- 8 (5) Provide parents, students, community members, and local
- 9 entities with an expanded opportunity for involvement in the
- 10 public school system.

11 **Sec. 2. A charter school is subject to all federal and state laws**
 12 **and constitutional provisions that prohibit discrimination on the**
 13 **basis of the following:**

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

21 **Sec. 3. This article may not be construed to waive, modify, or**
 22 **otherwise affect the terms of a collective bargaining agreement**
 23 **negotiated under IC 20-7.5.**

24 **Chapter 3. Establishment**

25 **Sec. 1. A sponsor may grant a charter to an organizer to operate**
 26 **a charter school under this article.**

27 **Sec. 2. A sponsor may grant a charter only to an organizer that**
 28 **is a nonprofit organization that meets the following requirements:**

- 29 (1) Education is a major purpose of the organization.
- 30 (2) If the organization is a corporation, the organization is a
- 31 nonprofit corporation under Section 501(c)(3) of the Internal
- 32 Revenue Code.
- 33 (3) The organization is not organized or operated for the
- 34 private benefit or gain of any member, trustee, shareholder,
- 35 employee, or associate. For purposes of this subdivision, the
- 36 term "private benefit or gain" does not include reasonable
- 37 compensation paid to an employee for work or services
- 38 actually performed.

- 1 **(4) The organization's constitution, chapter, articles, or**
- 2 **bylaws contain a clause that provides that upon dissolution all**
- 3 **remaining assets shall be used for nonprofit educational**
- 4 **purposes.**
- 5 **Sec. 3. (a) An organizer may submit to the sponsor a proposal**
- 6 **to establish a charter school.**
- 7 **(b) A proposal must contain at least the following information:**
- 8 **(1) Identification of the organizer.**
- 9 **(2) A description of the organizer's organizational structure**
- 10 **and governance plan.**
- 11 **(3) The following information for the proposed charter**
- 12 **school:**
- 13 **(A) Name.**
- 14 **(B) Purposes.**
- 15 **(C) Governance structure.**
- 16 **(D) Management structure.**
- 17 **(E) Educational mission goals.**
- 18 **(F) Curriculum and instructional methods.**
- 19 **(G) Methods of pupil assessment.**
- 20 **(H) Admission policy and criteria, subject to IC 20-5.5-5.**
- 21 **(I) School calendar.**
- 22 **(J) Age or grade range of pupils to be enrolled.**
- 23 **(K) A description of staff responsibilities.**
- 24 **(L) A description and the address of the physical plant.**
- 25 **(M) Budget and financial plans.**
- 26 **(N) Personnel plan, including methods for selection,**
- 27 **retention, and compensation of employees.**
- 28 **(O) Transportation plan.**
- 29 **(P) Discipline program.**
- 30 **(Q) Plan for compliance with any applicable desegregation**
- 31 **order.**
- 32 **(R) The date when the charter school is expected to:**
- 33 **(i) begin school operations; and**
- 34 **(ii) have students in attendance at the charter school.**
- 35 **(S) The arrangement for providing teachers and other staff**
- 36 **with health insurance, retirement benefits, liability**
- 37 **insurance, and other benefits.**
- 38 **(T) A proposed time line that identifies specific activities to**

1 **achieve the goals of the charter school.**

2 **(4) The manner in which an annual audit of the program**
3 **operations of the charter school is to be conducted by the**
4 **sponsor.**

5 **(c) If the teachers in a charter school elect to organize and**
6 **bargain collectively under IC 20-7.5, nothing in this section shall**
7 **waive, limit, or modify the provisions of IC 20-7.5.**

8 **Sec. 4. A sponsor that is the governing body of the school**
9 **corporation in which the proposed charter school is located must**
10 **comply with the following:**

11 **(1) Make available to the public copies of the charter school**
12 **application, or require the organizer to make copies available**
13 **to the public.**

14 **(2) Give notice under IC 5-3-1-2(b) of the public hearing**
15 **required under this section.**

16 **(3) Hold a public hearing within reasonable geographic**
17 **proximity to the location of the proposed charter school, at**
18 **which testimony must be allowed from the organizer and**
19 **members of the public.**

20 **Sec. 5. (a) Except as provided in subsection (b), if a governing**
21 **body grants a charter to establish a charter school, the governing**
22 **body must provide a noncharter school that students of the same**
23 **age or grade levels may attend.**

24 **(b) The department may waive the requirement that a**
25 **governing body provide a noncharter school under subsection (a)**
26 **upon the request of the governing body.**

27 **Sec. 6. The sponsor may revoke the charter of a charter school**
28 **that does not, by the date specified in the charter:**

29 **(1) begin school operations; and**

30 **(2) have students in attendance at the charter school.**

31 **Sec. 7. Before granting a charter under which more than fifty**
32 **percent (50%) of the students in the school corporation will attend**
33 **a charter school, a governing body must receive the approval of the**
34 **department.**

35 **Sec. 8. (a) The sponsor must notify the department of the**
36 **following:**

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

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

1 **(3) The rejection of a proposal, including the reasons for the**
2 **rejection, the number of members of the sponsor favoring the**
3 **proposal, and the number of members of the sponsor not**
4 **favoring the proposal.**

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

6 **(1) Compile the information received under subsection (a)**
7 **into a report.**

8 **(2) Submit the report to the general assembly.**

9 **Sec. 9. If a sponsor rejects a charter school proposal, the**
10 **organizer may amend the charter school proposal and resubmit the**
11 **proposal to the same sponsor.**

12 **Sec. 10. (a) A school that has qualified for the Indiana schools**
13 **academic improvement program under IC 20-1-1-6.3 may revise**
14 **its qualification plan for submission under this chapter as a charter**
15 **school proposal.**

16 **(b) If a charter school's charter meets the qualifications for the**
17 **Indiana schools academic improvement program under**
18 **IC 20-1-1-6.3 and if the organizer chooses to participate in the**
19 **program, the charter school may be designated an Indiana schools**
20 **academic improvement program school.**

21 **Sec. 11. (a) This section applies if:**

22 **(1) a governing body rejects a proposal; and**

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

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

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

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

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

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

38 **(2) recommends that the governing body approve the**

- 1 **proposal; or**
 2 **(3) recommends that the organizer amend the proposal and**
 3 **the governing body approve the amended proposal.**
 4 **The panel shall issue the opinion not later than forty-five (45) days**
 5 **after the panel receives the request for review.**
 6 **(f) Not later than forty-five (45) days after:**
 7 **(1) receiving a recommendation from the panel to approve a**
 8 **proposal; or**
 9 **(2) receiving an amended plan from the organizer that**
 10 **complies with a recommendation of the panel;**
 11 **the governing body shall reconsider the proposal's rejection. The**
 12 **decision of the charter school review panel is final and binding.**
 13 **Chapter 4. The Charter**
 14 **Sec. 1. A charter must do the following:**
 15 **(1) Be a written instrument.**
 16 **(2) Be executed by a sponsor and an organizer.**
 17 **(3) Confer certain rights, franchises, privileges, and**
 18 **obligations on a charter school.**
 19 **(4) Confirm the status of a charter school as a public school.**
 20 **(5) Be granted for:**
 21 **(A) not less than three (3) years; and**
 22 **(B) a fixed number of years agreed to by the governing**
 23 **body and the organizer.**
 24 **(6) Provide for:**
 25 **(A) a review by the sponsor of the charter school's**
 26 **performance, including the progress of the charter school**
 27 **in achieving the academic goals set forth in the charter, at**
 28 **least one (1) time in each five (5) year period while the**
 29 **charter is in effect; and**
 30 **(B) renewal, if the sponsor and the organizer agree to**
 31 **renew the charter.**
 32 **(7) Specify the grounds for the sponsor to:**
 33 **(A) revoke the charter before the end of the term for which**
 34 **the charter is granted; or**
 35 **(B) not renew a charter.**
 36 **(8) Set forth the methods by which the charter school is held**
 37 **accountable for achieving the educational mission and goals**
 38 **of the charter school, including the following:**

- 1 (A) Evidence of improvement in assessment measures,
- 2 attendance rates, and graduation rates (if appropriate),
- 3 and increased numbers of academic honors diplomas.
- 4 (B) Evidence of progress toward reaching the educational
- 5 goals set by the sponsor.
- 6 (9) Describe the method to be used to monitor the charter
- 7 school's:
- 8 (A) compliance with applicable law; and
- 9 (B) performance in meeting targeted educational
- 10 performance.
- 11 (10) Specify that the sponsor and the organizer may amend
- 12 the charter during the term of the charter by mutual consent
- 13 and describe the process for amending the charter.
- 14 (11) Describe specific operating requirements, including all of
- 15 the matters set forth in the application for the charter.
- 16 (12) Specify a date when the charter school will:
- 17 (A) begin school operations; and
- 18 (B) have students in attendance at the charter school.
- 19 (13) Specify that records of a charter school relating to the
- 20 school's operation and charter are subject to inspection and
- 21 copying to the same extent that records of a public school are
- 22 subject to inspection and copying under IC 5-14-3.
- 23 (14) Specify that records provided by the charter school to the
- 24 department or sponsor that relate to compliance by the
- 25 operator with the terms of the charter or applicable state or
- 26 federal laws are subject to inspection and copying in
- 27 accordance with IC 5-14-3.
- 28 (15) Specify that the charter school is subject to the
- 29 requirements of IC 5-14-1.5.

Chapter 5. Student Admissions and Enrollment

Sec. 1. Except as provided in this chapter, a charter school must be open to any student who resides in:

- 33 (1) the school corporation in which the charter school is
- 34 located, for a charter school sponsored by a single governing
- 35 body; or
- 36 (2) one (1) of the school corporations that sponsors a regional
- 37 charter school.

Sec. 2. Except as provided in this chapter, a charter school may

1 not establish admission policies or limit student admissions in any
2 manner in which a public school is not permitted to establish
3 admission policies or limit student admissions.

4 Sec. 3. (a) Except as provided in subsections (b) and (c), a
5 charter school must enroll any eligible student who submits a
6 timely application for enrollment.

7 (b) This subsection applies if the number of applications for a
8 program, class, grade level, or building exceeds the capacity of the
9 program, class, grade level, or building. If a charter school receives
10 a greater number of applications than there are spaces for
11 students, each timely applicant must be given an equal chance of
12 being admitted.

13 (c) A charter school may limit new admissions to the charter
14 school to:

15 (1) ensure that a student who attends the charter school
16 during a school year may continue to attend the charter
17 school in subsequent years; and

18 (2) allow the siblings of a student who attends a charter school
19 to attend the charter school.

20 Sec. 4. A charter school shall periodically provide information
21 to the parents of students in the school corporation concerning the
22 opportunity for students to enroll in the charter school. The
23 charter school shall design and deliver this information in a
24 manner to reach the parents of all students, including at risk
25 students.

26 Sec. 5. (a) This section applies to a student who does not have
27 legal settlement (as defined in IC 20-8.1-1-7.1) in a school
28 corporation that is the sponsor of a charter school or a regional
29 charter school that the student's parent wishes the student to
30 attend.

31 (b) A student may enroll in any charter school or regional
32 charter school in Indiana if the following requirements are met:

33 (1) The student's parent does the following:

34 (A) Requests that the student be admitted to enroll in the
35 charter school or regional charter school.

36 (B) Agrees to provide and pay for transportation of the
37 student to and from the charter school or regional charter
38 school.

- 1 **(2) The following jointly agree to enroll the student in the**
- 2 **charter school or regional charter school:**
- 3 **(A) The governing body of the school corporation where**
- 4 **the student has legal settlement.**
- 5 **(B) The governing body of the school corporation that**
- 6 **sponsors the charter school or regional charter school.**
- 7 **(C) The principal of the charter school or regional charter**
- 8 **school.**
- 9 **(c) The following apply to a student described in subsection (a):**
- 10 **(1) A school corporation is not required to provide**
- 11 **transportation for the student to attend the charter school or**
- 12 **regional charter school.**
- 13 **(2) Neither the student nor the student's parent is required to**
- 14 **pay transfer tuition for the student to attend the charter**
- 15 **school or regional charter school.**
- 16 **(3) The transferor school corporation in which the student has**
- 17 **legal settlement shall pay the student's transfer tuition to the**
- 18 **charter school.**
- 19 **(4) A transfer becomes effective on a date jointly determined**
- 20 **by the parent and the affected school corporations.**

Chapter 6. Employment

- 22 **Sec. 1. (a) Teachers who work at a charter school are employees**
- 23 **of the charter school.**
- 24 **(b) A charter school may contract for services only to the same**
- 25 **extent that any other public school may contract for services.**
- 26 **Sec. 2. Individuals shall choose to be teachers at a charter school**
- 27 **voluntarily, and a charter school shall choose such individuals to**
- 28 **be its teachers voluntarily.**
- 29 **Sec. 3. Teachers of a charter school may organize and bargain**
- 30 **collectively under IC 20-7.5.**
- 31 **Sec. 4. After the conversion, teachers in a conversion charter**
- 32 **school established under IC 20-5.5-11 may elect under IC 20-7.5 to:**
- 33 **(1) remain a part of the bargaining unit of the sponsor; and**
- 34 **(2) be subject to all the provisions of the collective bargaining**
- 35 **agreement.**
- 36 **Sec. 5. Not less than one hundred percent (100%) of the teachers**
- 37 **in a charter school must hold a license to teach in a public school.**
- 38 **Sec. 6. (a) A charter school shall participate in the following:**

1 **(1) The Indiana state teachers' retirement fund in accordance**
2 **with IC 21-6.1.**

3 **(2) The public employees' retirement fund in accordance with**
4 **IC 5-10.3.**

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

8 **(c) A person who:**

9 **(1) is a local school employee of a charter school; and**

10 **(2) is not eligible to participate in the Indiana state teachers'**
11 **retirement fund;**

12 **is a member of the public employees' retirement fund.**

13 **(d) The boards of the Indiana state teachers' retirement fund**
14 **and the public employees' retirement fund shall implement this**
15 **section through the organizer of the charter school.**

16 **Sec. 7. The decision by a sponsor whether to grant a charter**
17 **shall not be subject to restraint by the collective bargaining**
18 **agreement.**

19 **Sec. 8. As a school corporation grants a charter to a charter**
20 **school and individuals choose and are chosen by the charter school**
21 **to teach in the charter school, the school corporation may make**
22 **personnel adjustments among its teachers in its noncharter schools**
23 **that it believes are necessary or appropriate to match existing**
24 **resources with existing needs in its noncharter schools. If, as part**
25 **of such adjustments, the school corporation eliminates a teaching**
26 **position within the corporation, the legal or contractual provisions,**
27 **if any, otherwise applicable to a teacher in one (1) of its noncharter**
28 **schools whose contract with the school corporation is canceled as**
29 **a result of the elimination of the position within the school**
30 **corporation shall continue to apply to that teacher.**

31 **Sec. 9. The governing body must grant a transfer of not more**
32 **than five (5) years to a teacher of a noncharter school in the school**
33 **corporation who wishes to teach and has been accepted to teach at**
34 **a charter school within the school corporation or a regional**
35 **charter school of which the governing body is a sponsor. During**
36 **the term of the transfer:**

37 **(1) the teacher's seniority status under law continues as if the**
38 **teacher were an employee of a noncharter school in the school**

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

5 **Chapter 7. Fiscal Matters**

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

8 **(b) The organizer has exclusive control of:**

- 9 **(1) funds received by the charter school; and**
- 10 **(2) financial matters of the charter school.**

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

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

- 14 **(1) state tuition support; or**
- 15 **(2) state funding for any purpose;**

16 **a charter school student is counted in the same manner as a student**
17 **of the school corporation where the charter school student resides.**

18 **Sec. 3. (a) This section applies to a charter school that has a**
19 **governing body as sponsor of the school.**

20 **(b) The governing body shall distribute the following to the**
21 **organizer:**

22 **(1) A proportionate share of tuition support and any other**
23 **funding received from the state for the students enrolled in**
24 **the charter school.**

25 **(2) A proportionate share of state and federal funds received**
26 **for students with disabilities or staff services for students with**
27 **disabilities for the students with disabilities enrolled in the**
28 **charter school.**

29 **(3) A proportionate share of funds received under federal or**
30 **state categorical aid programs for students who are eligible**
31 **for the federal or state aid enrolled in the charter school.**

32 **(4) A proportionate share of local support for the students**
33 **enrolled in the charter school.**

34 **Sec. 4. (a) Not later than the date established by the department**
35 **for determining average daily membership under**
36 **IC 21-3-1.6-1.1(d), the organizer shall submit to the governing**
37 **body of the school corporation in which the charter school is**
38 **located a report of the total number of students enrolled in the**

1 charter school. Upon receipt of the report, the governing body shall
2 distribute to the organizer a proportionate share of federal, state,
3 and local support for the students enrolled in the charter school on
4 the same schedule that the school corporation receives the funds or
5 on a schedule agreed to by the sponsor and the organizer.

6 (b) This subsection applies to a regional charter school. The
7 governing body of the school corporation in which the charter
8 school is located shall assess the other sponsoring governing bodies
9 an amount equal to the approved per pupil revenues for the
10 students of the other school corporations that attend the regional
11 charter school. The other sponsoring governing bodies shall
12 transfer the revenues to the governing body of the school
13 corporation in which the charter school is located on the same
14 schedule as the sponsoring school corporations receive the revenue
15 or on a schedule agreed to by the sponsoring governing bodies.

16 Sec. 5. Services that a school corporation provides to a charter
17 school, including transportation, may be provided at not more than
18 one hundred three percent (103%) of the actual cost of the services.

19 Sec. 6. An organizer may apply for and accept for a charter
20 school:

- 21 (1) independent financial grants; or
- 22 (2) funds from public or private sources other than the
23 department.

24 **Chapter 8. Powers and Exemptions**

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

- 26 (1) Sue and be sued in its own name.
- 27 (2) For educational purposes, acquire real and personal
28 property or an interest in real and personal property by
29 purchase, gift, grant, devise, or bequest.
- 30 (3) Convey property.
- 31 (4) Enter into contracts in its own name, including contracts
32 for services.

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

- 34 (1) Operate at a site or for grades other than as specified in
35 the charter.
- 36 (2) Charge tuition to any student attending the charter school
37 that is in excess of the tuition currently allowed under law, or
38 impose any mandatory fees upon a student enrolled in the

1 charter school in preschool special education or in
2 kindergarten through grade 12. However, a charter school
3 may:

4 (A) charge fees for the same items or services that a
5 noncharter public school in the school corporation in
6 which the charter school is located may charge fees; and

7 (B) charge tuition for:
8 (i) a preschool program, unless charging tuition for the
9 preschool program is barred under federal law; or

10 (ii) a latch key program;
11 if the charter school provides those programs.

12 (3) Be located in a private residence.

13 (4) Provide homeschool instruction.

14 Sec. 3. For each charter school established under this article, the
15 charter school and the organizer are accountable to the sponsor for
16 ensuring compliance with:

17 (1) applicable federal and state laws;

18 (2) the charter; and

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

20 Sec. 4. Except as specifically provided in this article and the
21 statutes listed in section 5 of this chapter, the following do not
22 apply to a charter school:

23 (1) Any Indiana statute applicable to a governing body or
24 school corporation.

25 (2) A rule or guideline adopted by the Indiana state board of
26 education.

27 (3) A local regulation or policy adopted by a school
28 corporation unless specifically incorporated in the charter.

29 Sec. 5. The following statutes and rules and guidelines adopted
30 under the following statutes apply to a charter school:

31 (1) IC 20-1-1.5 (unified accounting system).

32 (2) IC 20-1-6 (special education).

33 (3) IC 20-5-2-3 (subject to laws requiring regulation by state
34 and federal agencies).

35 (4) IC 20-6.1-4-15 (void teacher contract when two (2)
36 contracts are signed).

37 (5) IC 20-6.1-6-11 (nondiscrimination for teacher marital
38 status).

- 1 **(6) IC 20-6.1-6-13 (teacher freedom of association).**
 2 **(7) IC 20-6.1-6-15 (school counselor immunity).**
 3 **(8) IC 20-8.1-3 (compulsory education).**
 4 **(9) IC 20-8.1-5.1-13, IC 20-8.1-5.1-15, and IC 20-8.1-5.1-15.5**
 5 **(student due process and judicial review).**
 6 **(10) IC 20-8.1-7 and IC 20-8.1-8 (health and safety measures).**
 7 **(11) IC 20-8.1-9-3 (exemption from school fees for eligible**
 8 **families and fee reimbursement).**
 9 **(12) IC 20-8.1-9-5 (notice to parents concerning financial**
 10 **assistance).**
 11 **(13) IC 20-8.1-12 (reporting of student violations of law).**
 12 **(14) IC 20-10.1-2-4 and IC 20-10.1-2-6 (patriotic**
 13 **commemorative observances).**
 14 **(15) IC 20-10.1-16, IC 20-10.1-17, or any other statute, rule,**
 15 **or guideline related to standardized testing (assessment**
 16 **programs, including remediation under the assessment**
 17 **programs).**
 18 **(16) IC 20-10.1-22.4 (parental access to education records).**
 19 **(17) IC 5-11-1-9 (requiring audit by state board of accounts).**

20 **Sec. 6. A charter school is subject to bidding and wage**
 21 **determination laws and all other statutes and rules that apply to**
 22 **the construction of a public school.**

23 **Sec. 7. A charter school may not duplicate the following**
 24 **programs if the programs are established in another school in the**
 25 **school corporation:**

- 26 **(1) A cooperative program established under IC 20-10.1-6-7.**
 27 **(2) An apprenticeship program other than the program**
 28 **specified in subdivision (1).**

29 **Chapter 9. Oversight and Revocation**

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

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

- 35 **(1) Results of all standardized testing.**
 36 **(2) A description of the educational methods and teaching**
 37 **methods employed.**
 38 **(3) Daily attendance records.**

- 1 **(4) Graduation statistics.**
- 2 **(5) Student enrollment data, including the following:**
- 3 **(A) The number of students enrolled.**
- 4 **(B) The number of students expelled.**
- 5 **(C) The number of students who discontinued attendance**
- 6 **at the charter school and the reasons for the**
- 7 **discontinuation.**

8 **Sec. 3. The sponsor shall oversee a charter school's compliance**
 9 **with:**

- 10 **(1) the charter; and**
- 11 **(2) all applicable law.**

12 **Sec. 4. Notwithstanding the provisions of the charter, a sponsor**
 13 **that grants a charter may revoke the charter at any time before the**
 14 **expiration of the term of the charter if the sponsor determines that**
 15 **at least one (1) of the following occurs:**

- 16 **(1) The organizer fails to comply with the conditions**
- 17 **established in the charter.**
- 18 **(2) The charter school established by the organizer fails to**
- 19 **meet the educational goals set forth in the charter.**
- 20 **(3) The organizer fails to comply with all applicable laws.**
- 21 **(4) The organizer fails to meet generally accepted government**
- 22 **accounting principles.**
- 23 **(5) One (1) or more grounds for revocation exist as specified**
- 24 **in the charter.**

25 **Sec. 5. A charter school shall report the following to the**
 26 **sponsor:**

- 27 **(1) Attendance records.**
- 28 **(2) Student performance data.**
- 29 **(3) Financial information.**
- 30 **(4) Any information necessary to comply with state and**
- 31 **federal government requirements.**
- 32 **(5) Any other information specified in the charter.**

33 **Sec. 6. The organizer of a charter school shall publish an annual**
 34 **performance report that provides the information required under**
 35 **IC 20-1-21-8 in the same manner that a school corporation**
 36 **publishes an annual report under IC 20-1-21.**

37 **Chapter 10. Student Transfers From Charter Schools**

38 **Sec. 1. A public noncharter school that receives a transfer**

1 student from a charter school may not discriminate against the
2 student in any way, including placing the student:

- 3 (1) in an inappropriate age group according to the student's
4 ability;
- 5 (2) below the student's abilities; or
- 6 (3) in a class where the student has already mastered the
7 subject matter.

8 **Chapter 11. Conversion of Existing Schools Into Charter**
9 **Schools**

10 **Sec. 1.** An existing public elementary or secondary school may
11 be converted into a charter school if the following conditions apply:

- 12 (1) At least sixty-seven percent (67%) of the teachers at the
13 school have signed a petition requesting the conversion.
- 14 (2) At least fifty-one percent (51%) of the parents of students
15 at the school have signed a petition requesting the conversion.

16 **Sec. 2.** The organizers shall submit a proposal under IC 20-5.5-3
17 to convert an existing school to a charter school.

18 **Sec. 3.** A conversion charter school must permit the parents of
19 a student who was enrolled in the school before the school's
20 conversion to a charter school to:

- 21 (1) remain in the school; or
- 22 (2) enroll in another school in the school corporation.

23 **Chapter 12. Regional Charter Schools**

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

27 **Sec. 2.** An organizer may submit to the governing bodies of two
28 (2) or more school corporations a proposal to establish a regional
29 charter school. A proposal must contain, at a minimum, the
30 following information:

- 31 (1) Identification of the organizer.
- 32 (2) A description of the organizer's organizational structure
33 and governance plan.
- 34 (3) The following information for the proposed regional
35 charter school:
 - 36 (A) Name.
 - 37 (B) Purposes.
 - 38 (C) Governance structure.

- 1 **(D) Management structure.**
 2 **(E) Educational mission goals.**
 3 **(F) Curriculum and instructional methods.**
 4 **(G) Methods of pupil assessment.**
 5 **(H) Admission policy and criteria, subject to IC 20-5.5-5.**
 6 **(I) School calendar.**
 7 **(J) Age or grade range of pupils to be enrolled.**
 8 **(K) A description of staff responsibilities.**
 9 **(L) A description and the address of the physical plant.**
 10 **(M) Budget and financial plans.**
 11 **(N) Personnel plan, including methods for selection,**
 12 **retention, and compensation of employees.**
 13 **(O) Transportation plan.**
 14 **(P) Discipline program.**
 15 **(Q) Plan for compliance with any applicable desegregation**
 16 **order.**
 17 **(R) The date when the regional charter school is expected**
 18 **to:**
 19 **(i) begin school operations; and**
 20 **(ii) have students in attendance at the regional charter**
 21 **school.**
 22 **(S) The arrangement for providing teachers and other staff**
 23 **with health insurance, retirement benefits, liability**
 24 **insurance, and other benefits.**
 25 **(T) A proposed time line that identifies specific activities to**
 26 **achieve the goals of the charter school.**
 27 **(4) A statement that the regional charter school will comply**
 28 **with:**
 29 **(A) this article; and**
 30 **(B) federal and state laws applicable to public bodies or**
 31 **school corporations.**
 32 **(5) Identification of the school corporation where the regional**
 33 **charter school will be located.**
 34 **(6) The compensation that the school corporations shall pay**
 35 **to the organizer, including the percentage of compensation**
 36 **provided by each school corporation.**
 37 **(7) The manner in which an annual audit of the programmatic**
 38 **operations of the regional charter school is to be conducted by**

1 the governing bodies.

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

6 (1) begin school operations; and

7 (2) have students in attendance at the regional charter school.

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

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

16 (1) The receipt of a proposal.

17 (2) The acceptance of a proposal.

18 (3) The rejection of a proposal, including the reasons for the
 19 rejection, the number of members of the governing body
 20 favoring the proposal, and the number of members of the
 21 governing body not favoring the proposal.

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

23 (1) Compile the information received under subsection (a)
 24 into a report.

25 (2) Submit the report to the general assembly.

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

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

30 (1) a governing body rejects a proposal to establish a regional
 31 charter school; and

32 (2) at least one-third (1/3) of the members of each governing
 33 body to which the proposal was submitted favor the proposal
 34 as evidenced by the minutes of each governing body.

35 **(b) The organizer may appeal the decision of the governing**
 36 **bodies to the charter school review panel created under subsection**
 37 **(c).**

38 **(c) The charter school review panel is created. The members of**

1 the panel are the superintendent of public instruction and two (2)
 2 members of the board who are appointed by the superintendent of
 3 public instruction.

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

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

- 11 (1) supports the governing bodies' rejection of the proposal;
- 12 (2) recommends that the governing bodies approve the
- 13 proposal; or
- 14 (3) recommends that the organizer amend the proposal and
- 15 the governing bodies approve the amended proposal.

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

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

- 19 (1) receiving a recommendation from the panel to approve a
- 20 proposal; or
- 21 (2) receiving an amended plan from the organizer that
- 22 complies with a recommendation of the panel;

23 the governing bodies shall reconsider the proposal's rejection. The
 24 decision of the charter school review panel is final.

25 **Sec. 7. A governing body must include a regional charter school**
 26 **in which the school corporation participates when complying with**
 27 **public notice requirements affecting public schools.**

28 **Chapter 13. Limitations on Establishing Charter Schools**

29 **Sec. 1. In establishing charter schools, a governing body shall**
 30 **give priority to the consideration of applications for charter**
 31 **schools designed to increase the educational opportunities of**
 32 **at-risk students.**

33 **Sec. 2. The following limitations apply to the number of charter**
 34 **schools that may be established:**

- 35 (1) Not more than ten (10) charters may be granted before
- 36 January 1, 2001, and not more than ten (10) additional
- 37 charters may be granted before January 1, 2002.
- 38 (2) Not more than sixty (60) charter schools may be

1 **established in Indiana. Of the sixty (60) charter schools, at**
2 **least sixteen (16) must be designed to increase the educational**
3 **opportunities of at-risk students.**

4 **(3) Not more than two (2) charter schools may be established**
5 **in a school corporation that has an average daily membership**
6 **of twenty thousand (20,000) students or less.**

7 **(4) Not more than four (4) charter schools may be established**
8 **in a school corporation that has an average daily membership**
9 **of more than twenty thousand (20,000) students.**

10 **Sec. 3. This chapter does not prohibit a school corporation that**
11 **has only one (1) school in the school corporation from granting a**
12 **charter to convert the school into a charter school.**

13 **Sec. 4. (a) A governing body that grants a charter school**
14 **application shall report the action to the department and specify**
15 **whether the charter school is designed to increase the educational**
16 **opportunities of at-risk students.**

17 **(b) The department shall promptly notify the governing body of**
18 **each school corporation when the limits on the number of charter**
19 **schools set forth in this chapter are reached."**

20 Delete pages 2 through 13.

21 Page 14, delete lines 1 through 18.

22 Renumber all SECTIONS consecutively.

(Reference is to SB 481 as reprinted February 19, 1999.)

and when so amended that said bill do pass.

Representative Porter