

HOUSE BILL No. 1860

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-1; IC 20-5-62; IC 20-5.5; IC 20-6.1-12; IC 20-10.1.

Synopsis: School quality and innovations; charter schools. Provides that the governing body of a school corporation may establish an Indiana school quality and academic progress innovation program for one or more schools in the school corporation. Establishes components of the innovation program and provides a state general fund appropriation of \$40 per student in average daily membership (ADM) in a school that has an innovation program approved by the Indiana state board of education. Provides for the establishment of public charter schools. Sets forth the description, general powers, student and teacher matters, application requirements, application procedures, budgets and funding, operation and oversight, and charter revocation (Continued next page)

Effective: July 1, 1999; June 30, 2000.

Porter

_____, read first time and referred to Committee on

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Digest Continued

procedures for public charter schools. Limits the number of charter schools that may be established. Establishes the Indiana teacher quality initiative as a public private partnership to provide expertise and training in teaching. Appropriates \$750,000 annually from the state general fund for the teacher quality initiative. Establishes the Indiana school quality and best practices resource center as a public private partnership to provide expertise and training in school quality matters. Appropriates \$1,750,000 annually from the state general fund for the resource center. Repeals the Indiana school academic improvement law and the freeway schools law. Makes conforming amendments.

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Introduced

First Regular Session 111th General Assembly (1999)

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 1998 General Assembly.

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HOUSE BILL No. 1860



A BILL FOR AN ACT to amend the Indiana Code concerning education and to make an appropriation.

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

- 1 SECTION 1. IC 20-1-1-6.3 IS AMENDED TO READ AS
- 2 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 6.3. (a) As used in this
- 3 section, "governing body" refers to the governing body of a school
- 4 corporation.
- 5 (b) As used in this section, "program" refers to an Indiana school
- 6 **quality and academic improvement progress innovation** program
- 7 established under this section.
- 8 (c) The board shall permit the governing body to establish an
- 9 Indiana school **quality and academic improvement progress**
- 10 **innovation** program for one (1) or more schools in the school
- 11 **corporation.**
- 12 (d) A program must include the following components:
- 13 (1) Academic standards equal to or greater than state
- 14 requirements.
- 15 (2) Quality assurance benchmarks.



1 **(3) Best curriculum and instruction practices.**

2 **(4) Family and community involvement strategies.**

3 (e) The governing body may do the following for a school that
4 participates in ~~the~~ **a** program:

5 (1) Invoke a waiver of any rule adopted by the board (except a
6 rule adopted under this section).

7 (2) Develop a plan for the admission of students to the school who
8 do not reside in the school's attendance area but who have legal
9 settlement within the school corporation.

10 ~~(d)~~ **(f)** In approving school corporations under this section, the board
11 shall consider whether the governing body has done the following for
12 **a school's** participation in the program:

13 (1) Established ~~an Indiana school academic improvement a~~
14 program.

15 (2) Adopted academic education goals.

16 (3) Established a community-wide strategy for achieving those
17 academic goals.

18 (4) Developed a report card for measuring a participating school's
19 progress in achieving those academic goals.

20 (5) Demonstrated community support for participation in the
21 program, including the support of the exclusive representative.

22 ~~(e)~~ **(g)** With the approval of the governing body, the board may **do**
23 **the following:**

24 (1) Designate a single school, more than one (1) school, or every
25 school within a particular school corporation to participate ~~under~~
26 **this section:**

27 ~~(f) With the approval of the governing body, the board may in a~~
28 **program.**

29 (2) Waive any statute relating to curriculum or textbook selection
30 on behalf of a school or school corporation participating under
31 this section.

32 ~~(g) Funds available for school improvements under IC 20-10.1-26~~
33 ~~(twenty-first century schools pilot program) may be expended to fund~~
34 ~~the program:~~

35 (h) As part of the program, the governing body may develop and
36 implement a plan to do the following:

37 (1) Allow for the transfer of a student who resides in the school's
38 attendance area but whose parent or legal guardian requests that
39 the student attend another school within the school corporation of
40 legal settlement.

41 (2) Allow a school that has established a program to offer
42 alternatives to participation in the program.

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1 (3) Inform parents of their rights under this section.

2 (i) The board shall adopt rules under IC 4-22-2 to implement this
3 section.

4 **(j) There is annually appropriated from the state general fund
5 to the department of education for distribution to each school that
6 has a program under this section an amount sufficient to distribute
7 to the school forty dollars (\$40) per student in ADM in the school.**

8 SECTION 2. IC 20-1-1.3-1 IS AMENDED TO READ AS
9 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. As used in this
10 chapter, "score" refers to the results of

11 (1) the ISTEP program tests described in IC 20-10.1-16. ~~or~~

12 (2) a locally adopted assessment program established under
13 ~~IC 20-5-62-6(7)~~.

14 SECTION 3. IC 20-5.5 IS ADDED TO THE INDIANA CODE AS
15 A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,
16 1999]:

17 **ARTICLE 5.5. PUBLIC CHARTER SCHOOLS**

18 **Chapter 1. Definitions**

19 **Sec. 1. The definitions in this chapter apply throughout this
20 article.**

21 **Sec. 2. "Applicants" means the governing body, the exclusive
22 representative, and any qualified third party, jointly.**

23 **Sec. 3. "At-risk student" means a student who is at risk under
24 the criteria for determining the at-risk index of a school
25 corporation under IC 21-3-1.8-1.1.**

26 **Sec. 4. "Charter agreement" means a written document that is
27 submitted by the applicants, the terms of which comprise, within
28 the limitations set forth in this article, the extent to which a charter
29 school may operate.**

30 **Sec. 5. "Charter school" refers to a public school that:**

31 (1) is nonsectarian, nonreligious, and nonhome based;

32 (2) is not a virtual school;

33 (3) has been designated under this article as a charter school;
34 and

35 (4) is a part of the school corporation where the charter
36 school is located.

37 **Sec. 6. "Charter school teacher" refers to a teacher who is
38 employed in a charter school.**

39 **Sec. 7. "Exclusive representative" has the meaning set forth in
40 IC 20-7.5-1-2(1).**

41 **Sec. 8. "Governing body" has the meaning set forth in
42 IC 20-10.1-1-5.**



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1 **Sec. 9. "Governing entity"** means a board charged by law with
 2 the responsibility of administering the affairs of a charter school
 3 that has licensed classroom teachers as at least the majority of the
 4 board's members.

5 **Sec. 10. "Person"** has the meaning set forth in IC 6-1.1-1-10.

6 **Sec. 11. "School corporation"** has the meaning set forth in
 7 IC 20-10.1-1-1.

8 **Sec. 12. "State board"** refers to the Indiana state board of
 9 education established under IC 20-1-1-1.

10 **Sec. 13. "Teacher"** means a school employee (as defined in
 11 IC 20-7.5-1-2(e)).

12 **Chapter 2. Charter School Description, General Powers, and**
 13 **Limitations**

14 **Sec. 1. A charter school may be established under this article to**
 15 **provide innovative programs to do the following:**

- 16 (1) Serve the different learning styles and needs of certain
 17 public school students.
- 18 (2) Provide expanded professional opportunities for charter
 19 school teachers and other charter school personnel.
- 20 (3) Permit freedom from complying with and flexibility in
 21 addressing certain laws and regulations regarding the
 22 operation of a school.
- 23 (4) Increase parental involvement.

24 **Sec. 2. The following apply to a charter school:**

- 25 (1) A charter school is part of the school corporation in which
 26 the charter school is located.
- 27 (2) A charter school must operate under this article and under
 28 the terms of the charter school's approved charter agreement.
- 29 (3) The governing entity of a charter school is accountable to
 30 the governing body and the state board for ensuring
 31 compliance with:
 - 32 (A) the charter agreement; and
 - 33 (B) all applicable federal and state laws, including the
 34 Constitution of the United States and the Constitution of
 35 the State of Indiana.
- 36 (4) A charter school is subject to all federal and state laws and
 37 constitutional provisions prohibiting discrimination on the
 38 basis of disability, race, creed, color, gender, national origin,
 39 religion, ancestry, or need for special education services.
- 40 (5) A charter school is subject to any court ordered
 41 desegregation plan in effect for the school corporation where
 42 the charter school is located.



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1 **(6) A charter school may include any grade through grade 12**
 2 **or any configuration of those grades, including kindergarten**
 3 **and prekindergarten. If specified in the charter agreement, a**
 4 **charter school may operate an adult education program, adult**
 5 **high school completion program, or a general education**
 6 **development testing preparation program.**

7 **(7) A charter school may waive those specific statutes and**
 8 **rules listed in this chapter as waivable by a charter school.**

9 **(8) Only teachers, administrators, and other professionals**
 10 **who are licensed by the Indiana professional standards board**
 11 **may be assigned to a charter school.**

12 **Sec. 3. A governing entity must set specific geographic**
 13 **boundaries in which a charter school is authorized to serve with a**
 14 **specific student attendance unit from which the charter school's**
 15 **student population will be produced. However, the geographic**
 16 **boundaries and the student attendance unit may not extend beyond**
 17 **the boundaries of the school corporation in which the charter**
 18 **school is located.**

19 **Sec. 4. A charter school is prohibited from doing any of the**
 20 **following:**

21 **(1) Operating at a site or for grades other than as specified in**
 22 **the charter agreement.**

23 **(2) Charging tuition or imposing any other mandatory fees**
 24 **upon any student enrolled in the charter school in preschool**
 25 **special education or in kindergarten through grade 12.**

26 **However, a charter school may:**

27 **(A) charge fees for the same items or services that a**
 28 **noncharter public school in the school corporation may**
 29 **charge fees; and**

30 **(B) impose a prorated fee upon students to cover the cost**
 31 **of providing latch key programs or preschool regular**
 32 **education programs, if applicable.**

33 **(3) Except in cases where transfer tuition is authorized under**
 34 **IC 20-8.1-6.1, making enrollment in the charter school open**
 35 **to a student who resides:**

36 **(A) outside the geographic boundaries of the school**
 37 **corporation in which the charter school is located; and**

38 **(B) outside the attendance unit of the charter school**
 39 **established under section 5 of this chapter.**

40 **(4) Operating outside the geographic boundaries of the school**
 41 **corporation in which the charter school is located.**

42 **(5) Being located in a private residence.**



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1 **(6) Providing home based instruction.**

2 **(7) Discriminating in enrollment on any basis, including**
 3 **disability, race, creed, color, gender, national origin, religion,**
 4 **ancestry, need for special education services, athletic**
 5 **performance, language proficiency, or a test score. However,**
 6 **a charter school may limit enrollment to a particular grade**
 7 **level or specialized educational focus.**

8 **Sec. 5. The following are subject to all open meeting, public**
 9 **record, and financial auditing and reporting requirements that are**
 10 **applicable to noncharter public schools:**

11 **(1) A charter school.**

12 **(2) On a matter concerning a charter school, an agency or**
 13 **entity that holds a contract with the charter school.**

14 **Sec. 6. Notwithstanding any other law and except as provided in**
 15 **this article, a charter school may waive compliance with the**
 16 **following:**

17 **(1) Concerning curriculum and instructional time, the**
 18 **following statutes and rules:**

19 **IC 20-10.1-2-2 (minimum school term)**

20 **IC 20-10.1-4-6 (safety education)**

21 **IC 20-10.1-4-7 (health education)**

22 **IC 20-10.1-4-9.1 (health education)**

23 **511 IAC 6-7-6 (graduation requirements)**

24 **511 IAC 6.1-3-4 (high school curriculum)**

25 **511 IAC 6.1-5-0.5 (curriculum principles)**

26 **511 IAC 6.1-5.1 (high school curriculum)**

27 **511 IAC 6.1-5-2.5 (elementary school curriculum)**

28 **511 IAC 6.1-5-3.5 (middle level curriculum)**

29 **511 IAC 6.1-5-4 (high school curriculum).**

30 **(2) Concerning textbooks, the following statutes and rules:**

31 **IC 20-10.1-9-1 (adoption)**

32 **IC 20-10.1-9-18 (contracts)**

33 **IC 20-10.1-9-21 (adoption)**

34 **IC 20-10.1-9-23 (repurchase)**

35 **IC 20-10.1-9-27 (waiver)**

36 **IC 20-10.1-10-1 (rental program)**

37 **IC 20-10.1-10-2 (rental program)**

38 **511 IAC 6.1-5-5 (selection).**

39 **(3) Concerning pupil/teacher ratios, the following rules:**

40 **511 IAC 6-2-1(b)(2) (determination of ratio)**

41 **511 IAC 6.1-4-1 (required ratio).**

42 **(4) Concerning graduation requirements, 511 IAC 6-7.**

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1 (5) Concerning pupil/principal ratios, 511 IAC 6-2-1(c)(4).

2 (6) Concerning the performance based accreditation system,
3 IC 20-1-1.2. However, the legal standards defined in
4 IC 20-1-1.2-1, not otherwise authorized to be waived under
5 this section, may not be waived.

6 (7) Concerning ISTEP program testing, IC 20-10.1-16.
7 However, the charter school must demonstrate compliance
8 with all state academic standards.

9 Sec. 7. This article may not be construed to waive, modify, or
10 otherwise affect the terms of a collective bargaining agreement
11 negotiated under IC 20-7.5.

12 Chapter 3. Student and Teacher Issues in Connection With
13 Charter School Matters

14 Sec. 1. (a) A student within a school corporation may not be
15 required to attend a charter school.

16 (b) The applicants, within the charter agreement, shall make
17 accommodation through a documented procedure to facilitate the
18 transfer of a student who does not wish to attend a charter school
19 into another appropriate public school within the school
20 corporation.

21 Sec. 2. The applicants, within the charter agreement, shall make
22 accommodation through a documented procedure to transfer an
23 eligible student who wishes to attend the charter school to the
24 charter school as space permits.

25 Sec. 3. A student who is not under a suspension or an expulsion
26 may withdraw from a charter school at any time and reenroll in
27 the noncharter public school within the school corporation that the
28 student is eligible to attend.

29 Sec. 4. A student may be suspended or expelled from a charter
30 school in accordance with the rules for suspensions or expulsions
31 adopted by:

- 32 (1) the charter school; or
33 (2) the governing body of a school corporation in which the
34 charter school is located;

35 whichever applies.

36 Sec. 5. (a) A teacher who is employed in a school corporation
37 may not be required to teach in a charter school.

38 (b) The applicants, within the charter agreement, shall make
39 accommodation through a documented procedure and in
40 compliance with the collective bargaining agreement to facilitate
41 the transfer of a teacher who does not wish to teach in a charter
42 school into another appropriate public school within the school

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1 corporation.

2 **Sec. 6.** The applicants, within the charter agreement, shall make
3 accommodation through a documented procedure and in
4 compliance with the collective bargaining agreement to transfer a
5 teacher who wishes to teach in a charter school to the charter
6 school as openings permit.

7 **Sec. 7. (a)** A teacher's contract is not entitled to be canceled or
8 otherwise not renewed because the teacher does not wish to teach
9 in a charter school.

10 (b) Neither the establishment of nor any action taken in
11 connection with the establishment of a charter school within a
12 school corporation constitutes grounds for the cancellation of an
13 indefinite contract with a permanent or semipermanent teacher.

14 **Sec. 8.** This section applies to a teacher who is employed in a
15 noncharter school in a school corporation and transfers to a
16 charter school in the same school corporation or a teacher who
17 becomes employed by a school corporation and has not previously
18 engaged in a noncharter school teaching service in the school
19 corporation before being employed in a charter school in the school
20 corporation. The teacher:

21 (1) retains all rights and privileges bestowed under
22 IC 20-6.1-4, IC 20-6.1-5, and IC 20-6.1-6;

23 (2) does not lose the teacher's nonpermanent, semipermanent,
24 or permanent contract status with the school corporation; and

25 (3) continues to accrue years of service in the same manner
26 that the teacher accrued years of service in the noncharter
27 school for contract status, teacher retirement, and seniority
28 purposes.

29 **Chapter 4. Charter School Applicants and Application**
30 **Requirements**

31 **Sec. 1.** To initiate the process of establishing a charter school,
32 the governing body of the school corporation in which the charter
33 school is to be located, the exclusive representative, and any
34 qualified third party must enter into a joint application as
35 prescribed in IC 20-5.5-5.

36 **Sec. 2.** An application for the establishment of a charter school
37 must be in the form of a proposed agreement and include at least
38 the following:

39 (1) The mission statement of the charter school.

40 (2) The goals, objectives, and student performance standards
41 to be achieved by the charter school.

42 (3) A description of the charter school's educational plan and

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1 program, student performance standards, and curriculum
2 that:

3 (A) meets or exceeds any content standards adopted by or
4 applicable to the school corporation where the charter
5 school is located;

6 (B) meets or exceeds state standards, including the
7 requirements of:

8 (i) educational proficiencies expected of students by the
9 ISTEP program under IC 20-10.1-16; and

10 (ii) for high school, the Core 40 college preparation
11 curriculum established by the board under
12 IC 20-10.1-5.7-1; and

13 (C) is designed to enable each student to achieve the
14 standards described in this subdivision.

15 (4) A description of:

16 (A) the charter school's plan for evaluating student
17 performance;

18 (B) the types of assessments that will be used to measure
19 student progress towards achievement of the school's
20 student performance standards;

21 (C) the schedule for achievement of the standards
22 described in clause (B); and

23 (D) the procedures for taking corrective action in the event
24 that student performance at the charter school falls below
25 the standards described in clause (B).

26 (5) Evidence that the plan for the charter school is
27 economically sound for both the charter school and the school
28 corporation, including:

29 (A) a proposed budget for the term of the charter;

30 (B) a description of the manner in which an annual audit
31 of the financial and administrative operations of the
32 charter school, including any services provided by the
33 school corporation, is to be conducted; and

34 (C) a plan for the displacement of students, teachers, and
35 other employees who will not attend or be employed in the
36 charter school.

37 (6) A description of the governance and operation of the
38 charter school, including a description of the governing entity,
39 the administration, and the operational plan of the charter
40 school, including a certification that the governing entity is
41 not authorized to contract out the duty to administer or
42 operate the charter school to a person other than a licensed

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administrator or teacher who is otherwise employed by the school corporation.

(7) A plan describing the nature and extent to which parental and community involvement is required in the charter school.

(8) A listing of objective charter school performance criteria that will be used to measure student learning and that will be used to demonstrate compliance with the charter agreement.

(9) An agreement to provide an annual report to the state board indicating the progress and, if applicable, the lack of progress made at the charter school during the previous year in meeting the charter school mission and objectives.

(10) A plan for the transportation of charter school students.

(11) An indication of the location of the charter school, including certification that the charter school site conforms with all health and safety requirements of public school buildings. In addition, if the charter school is to be located at a site other than an existing public school building, a description of the provider of the site and the terms and conditions associated with acquisition of the site.

(12) A description of the support services that will be provided by the governing body and the circumstances under which those services will be provided.

(13) A description of the support services provided to the charter school by third parties and the circumstances under which those services are to be provided. However, this article does not authorize the governing entity or the governing body to enter into agreements with persons other than licensed administrators or teachers who are otherwise employed by the school corporation for:

(A) the administration and operation of the charter school; and

(B) any other service for which a license is required.

(14) A description of the student enrollment procedures, including nondiscriminatory criteria for admission in accordance with applicable state and federal law.

(15) An explanation of the student discipline policy.

(16) A certification that all teachers and administrators in the charter school are licensed under state law and regulation.

(17) A certification that the collective bargaining agreement remains in effect for the charter school.

(18) A financial plan for the charter school, including:

(A) a proposed budget for the term of the charter

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- agreement;
- (B) at least an annual audit of the financial and administrative operations of the charter school; and
- (C) the manner in which the funds allocated to the charter school will be managed and disbursed.

(19) Written procedures by which the exclusive representative of the certificated and noncertificated school employees and the parents of students can legally challenge decisions of the governing entity that do not conform to the charter agreement.

(20) A listing of the statutes and rules under IC 20-5.5-2 that the charter school expects to waive.

(21) A copy of the charter school's charter agreement, which must address at least the items listed in the application under this section.

Sec. 3. An applicant may not submit an application to do the following:

- (1) Convert a nonpublic school into a charter school.
- (2) Convert a home based school program into a charter school.
- (3) Create a virtual charter school.

Sec. 4. A charter school application is a matter of public record and shall be made available to the public upon request.

Sec. 5. The state board may adopt rules under IC 4-22-2 to implement this chapter.

Chapter 5. Charter Application Process

Sec. 1. A governing body shall receive and review all applications for charter schools within the school corporation. Applications must be filed with the governing body by October 1 to be eligible for consideration for the following school year. The governing body shall not charge any application fees.

Sec. 2. If the governing body finds that a charter school application is incomplete, the governing body shall request the necessary information from the charter applicant to complete the application.

Sec. 3. After giving reasonable public notice, the governing body shall hold community meetings in the affected areas or the entire school corporation to obtain information to assist the governing body to make the decision of whether to grant a charter for the establishment of a charter school. *January 26 Education.*

Sec. 4. The governing body shall vote on the application for a charter school in a public hearing, upon reasonable public notice,

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1 within sixty (60) days after receiving the application. However, the
2 charter applicant and the governing body may jointly waive the
3 deadline in this section.

4 Sec. 5. If a governing body grants a charter, it shall send a copy
5 of the approved charter to the department within fifteen (15) days
6 after granting the charter.

7 Sec. 6. If a governing body denies a charter school application,
8 the governing body shall state the reasons for the denial.

9 Sec. 7. If a governing body denies a charter school application
10 or unilaterally imposes conditions that are unacceptable to the
11 charter applicant, the charter applicant may appeal the decision to
12 the board.

13 Chapter 6. Appeals; Standard of Review and Procedures

14 Sec. 1. The board, upon receipt of a notice of appeal or upon the
15 board's own motion, may in accordance with this chapter review
16 the decision of a governing body concerning a charter school.

17 Sec. 2. A charter applicant or any person who wishes to appeal
18 a decision of a governing body concerning a charter school shall
19 provide the board and the governing body with a notice of appeal
20 within thirty (30) days after the governing body's decision.

21 Sec. 3. If the appeal is for a denial, nonrenewal, or revocation of
22 a charter, the person bringing the appeal shall limit the grounds of
23 the appeal to the grounds specified by the governing body. The
24 notice must include a brief statement of the reasons the appellant
25 contends that the governing body's decision was in error.

26 Sec. 4. If the notice of appeal or a motion of the board to review
27 relates to a governing body's decision to deny, refuse to renew, or
28 revoke a charter or to a governing body's unilateral imposition of
29 conditions that are unacceptable to the charter school or the
30 charter applicant, the appeal and review process is as follows:

- 31 (1) Within sixty (60) days after receipt of the notice of appeal
- 32 or of the board making a motion to review and after
- 33 reasonable public notice, the board, at a public hearing which
- 34 may be held in the school corporation where the proposed
- 35 charter school is located, shall review the decision of the
- 36 governing body and make findings. If the board finds that the
- 37 local board's decision was contrary to the best interests of the
- 38 students, the school corporation, or the community, the board
- 39 shall remand the decision to the governing body with written
- 40 instructions for reconsideration of the decision. The
- 41 instructions must include specific recommendations
- 42 concerning the matters requiring reconsideration.

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1 (2) Within thirty (30) days following the remand of a decision
 2 to the governing body and after reasonable public notice, the
 3 governing body, at a public hearing, shall reconsider the
 4 decision and make a final decision.

5 (3) If the governing body's final decision is to deny, refuse to
 6 renew, or to revoke a charter or to unilaterally impose
 7 conditions that are unacceptable to the charter school or the
 8 charter applicant, a second notice of appeal may be filed with
 9 the board within thirty (30) days following the governing
 10 body's final decision.

11 (4) Within thirty (30) days following receipt of the second
 12 notice of appeal or making a motion for a second review by
 13 the board and after reasonable public notice, the board, at a
 14 public hearing, shall determine whether the final decision of
 15 the governing body was contrary to the best interests of the
 16 students, school corporation, or community. If such a finding
 17 is made, the board shall remand the final decision to the
 18 governing body with instructions to approve the charter
 19 application. The decision of the board is final and is not
 20 subject to appeal.

21 **Sec. 5. If the notice of appeal, or the motion to review by the**
 22 **board, relates to a local board's decision to grant a charter, the**
 23 **appeal and review process is as follows:**

24 (1) Within sixty (60) days after receipt of the notice of appeal
 25 or of the board making a motion to review and after
 26 reasonable public notice, the board, at a public hearing which
 27 may be held in the school corporation where the proposed
 28 charter school is located, shall:

29 (A) review the decision of the governing body; and

30 (B) determine whether the decision was arbitrary and
 31 capricious or the establishment or operation of the
 32 proposed charter school would:

33 (i) violate any federal or state laws concerning civil
 34 rights;

35 (ii) violate any court order;

36 (iii) threaten the health and safety of students in the
 37 school corporation;

38 (iv) violate the provisions of IC 20-5.5-10-3 concerning
 39 the permissible number of charter schools; or

40 (v) be inconsistent with the equitable distribution of
 41 charter schools among school corporations.

42 (2) If a determination is made under subdivision (1)(B), the

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1 board shall remand the decision to the local board with
 2 instructions to deny the charter application. The decision of
 3 the board is final and not subject to appeal.

4 **Sec. 6.** This chapter does not alter the requirement that a
 5 charter school is a part of the school corporation where the charter
 6 school is located and is accountable to the governing body of the
 7 school corporation.

8 **Chapter 7. Charter School Budgets and Funding**

9 **Sec. 1.** Funding of a charter school shall be neither a financial
 10 incentive nor a financial disincentive to the decision to establish a
 11 charter school.

12 **Sec. 2.** Funding for a charter school consists of the allocation of
 13 federal, state, and local funds in the same proportion and under the
 14 same criteria that the federal, state, and local funding is provided
 15 for other public schools within the school corporation in which the
 16 charter school is located, including the distribution of all
 17 categorical program funds, including special education.

18 **Sec. 3. (a)** All services provided by the governing body and
 19 which the governing entity elects to use, including transportation,
 20 food services, custodial services, maintenance, curriculum, media
 21 services, libraries, nursing, and warehousing, are subject to
 22 negotiation between the governing body and the governing entity.

23 **(b)** Services described in subsection (a) shall be paid from the
 24 appropriate funds allocated under section 2 of this chapter.

25 **Sec. 4.** Subject to the limitations set forth in this article, the
 26 governing entity may negotiate and contract for the purchase of
 27 books, instructional materials, and any other supplies and services
 28 under the authority granted to governing bodies under IC 20-5-2-2.

29 **Sec. 5. A charter school:**

- 30 (1) must comply with state board of accounts approved forms
 31 and rules for fiscal accountability; and
 32 (2) is subject to an annual audit by the state board of
 33 accounts.

34 **Sec. 6.** The state board may adopt rules under IC 4-22-2 to
 35 implement this chapter.

36 **Chapter 8. Operation and Oversight of a Charter School**

37 **Sec. 1.** The governing entity is authorized to operate and
 38 administer the charter school. The governing entity may not
 39 delegate the performance of, or responsibility for, the operation
 40 and administration of the charter school to a person other than a
 41 properly licensed administrator or teacher who is otherwise
 42 employed by the school corporation where the charter school is



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located.

Sec. 2. (a) An individual or a group of individuals may enter a complaint against the governing entity concerning a claimed violation of this article or the charter agreement.

(b) If, after presenting a complaint to the governing entity, the individual or group of individuals believes that the complaint has not been adequately addressed, the individual or group of individuals may submit the complaint to the state board.

(c) The state board shall hear and decide the issue of the complaint in an adjudicative hearing under IC 4-21.5-3.

Sec. 3. (a) The state board shall review the progress of a charter school on an annual basis.

(b) The findings and conclusions of the state board's review shall be described by the state board in an annual report that the state board must make available to the public upon request.

Chapter 9. Charter Renewal, Nonrenewal, and Revocation

Sec. 1. A charter may be approved or renewed for a period not to exceed five (5) school years.

Sec. 2. A charter school renewal application that is submitted to a governing body must contain the following:

(1) A report on the progress of the charter school in achieving the goals, objectives, student performance standards, content standards, and other terms of the initial approved charter application.

(2) A financial statement that discloses the costs of administration, instruction, and other spending categories for the charter school that:

- (A) is understandable to the general public;**
- (B) allows comparison to the costs of other schools or other comparable organizations; and**
- (C) is in a format required by the governing body.**

Sec. 3. A charter may be revoked or not renewed by the governing body if the governing body determines that the charter school did any of the following:

- (1) Committed a material violation of any of the conditions, standards, or procedures set forth in the charter application.**
- (2) Failed to meet or make reasonable progress toward achievement of the content standards or student performance standards identified in the charter application.**
- (3) Failed to meet generally accepted standards of fiscal management.**
- (4) Violated any law from which the charter school was not**

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specifically exempted.
Sec. 4. If a governing body determines that it is not in the interest of the students of the school corporation to continue the operation of the charter school, a charter may not be renewed.

Sec. 5. If a governing body revokes or does not renew a charter, the governing body shall state the reasons for the revocation or nonrenewal.

Sec. 6. Upon the denial of a renewal of a charter agreement or upon the revocation of a charter agreement, the applicants or the governing entity may appeal the decision to the state board. The state board shall conduct a hearing on the matter under IC 4-21.5-3.

Chapter 10. Limitations on Establishing Charter Schools

Sec. 1. A governing body may, but is not required to, grant an application for a charter school.

Sec. 2. In establishing charter schools, a governing body must give priority of consideration to applications for charter schools designed to increase the educational opportunities of at-risk students.

Sec. 3. The following limitations apply to the number of charter schools that may be established:

- (1) Not more than ten (10) charters may be granted before January 1, 2001, and not more than ten (10) additional charters may be granted before January 1, 2002.
- (2) A total of not more than sixty (60) charters may be granted in Indiana. At least sixteen (16) of these sixty (60) charters must be reserved for applications for charter schools that are designed to increase the educational opportunities of at-risk students.
- (3) Not more than two (2) charter schools may be established in a school corporation having twenty thousand (20,000) or less students in average daily membership.
- (4) Not more than four (4) charter schools may be established in a school corporation having more than twenty thousand (20,000) students in average daily membership.

Sec. 4. This article does not prevent a governing body having only one (1) school in the school corporation from granting an application to convert that school into a charter school.

Sec. 5. A governing body that grants a charter school application shall report this action to the department and shall specify whether or not the charter school is designed to increase the educational opportunities of at-risk students. The department

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1 shall promptly notify the governing body of each school
2 corporation when the limits on the number of charter school
3 specified in this chapter are met.

4 SECTION 4. IC 20-6.1-12 IS ADDED TO THE INDIANA CODE
5 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
6 JULY 1, 1999]:

7 **Chapter 12. Indiana Teacher Quality Initiative**

8 **Sec. 1.** As used in this chapter, "initiative" refers to the Indiana
9 teacher quality initiative established by section 2 of this chapter.

10 **Sec. 2.** The Indiana teacher quality initiative is established.

11 **Sec. 3.** The initiative is a public private partnership that
12 includes the following:

13 (1) Prekindergarten through grade 12 education
14 organizations.

15 (2) Higher education institutions.

16 **Sec. 4.** The initiative must provide schools, higher education
17 teacher preservice education programs, and communities served
18 by schools with expertise and training regarding the following:

19 (1) Preservice teacher education program models, including
20 the following:

21 (A) National Commission for Accreditation of Teacher
22 Education (NCATE) performance based accreditation.

23 (B) Professional development school.

24 (2) Indiana professional standards board licensure and
25 relicensure reform that are based on the following:

26 (A) Indiana academic standards.

27 (B) Best curriculum and instruction practices.

28 (C) Discernible improvements in teaching skills and
29 knowledge.

30 (D) Rigorous assessments by peer review boards.

31 (E) School academic improvement plans.

32 (3) Intern and mentor programs.

33 (4) Standards based staff evaluations.

34 (5) Peer assistance.

35 (6) National board for professional teaching standards
36 certification.

37 **Sec. 5. (a)** The following shall jointly award a four (4) year
38 performance contract for the initiative:

39 (1) The Indiana professional standards board.

40 (2) The budget agency.

41 (b) Requests for proposals for the center must specify the
42 partners, governance structure, budget, program content, and



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implementation plan.

Sec. 6. There is appropriated annually from the state general fund to the Indiana professional standards board seven hundred fifty thousand dollars (\$750,000) for the performance contract for operation of the initiative.

SECTION 5. IC 20-10.1-10-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. (a) Except as provided in ~~subsections~~ **subsection** (b) ~~and (c)~~ and all laws to the contrary notwithstanding, each governing body shall purchase from a contracting publisher, at the net contract price or at any subsequent lower price, the textbooks adopted by the Indiana state board of education and selected by the proper local officials, and shall rent these textbooks to each student enrolled in any public school which is in compliance with the minimum certification standards of the Indiana state board of education and is located within the attendance unit served by the governing body.

(b) This section does not prohibit the purchase of these textbooks at the option of any student or the providing of free textbooks by the governing body under IC 20-10.1-11.

~~(c) This section does not prohibit a governing body from suspending the operation of this section under a contract entered into under IC 20-5-62.~~

SECTION 6. IC 20-10.1-17-4.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 4.5. (a) The remediation grant program is established to provide grants to school corporations for the following:

(1) Remediation of students who score below state proficiency standards.

(2) Preventive remediation for students who are at risk of falling below state achievement standards.

~~(3) For students in a freeway school or freeway school corporation who are assessed under a locally adopted assessment program under IC 20-5-62-6(7):~~

~~(A) remediation of students who score below proficiency standards under the locally adopted assessment program; and~~

~~(B) preventive remediation for students who are at risk of falling below achievement standards under the locally adopted assessment program.~~

(b) The department shall do the following:

(1) Subject to section 5.5 of this chapter, develop a formula to be approved by the state board of education, reviewed by the state budget committee, and approved by the budget agency for the

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- 1 distribution of grants to school corporations.
- 2 (2) Distribute grant funds according to the formula.
- 3 (3) Determine standards for remediation programs to be funded
- 4 under the program.
- 5 (4) Administer the program.

6 SECTION 7. IC 20-10.1-30 IS ADDED TO THE INDIANA CODE
 7 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 8 JULY 1, 1999]:

9 **Chapter 30. Indiana School Quality and Best Practices Resource**
 10 **Center**

11 **Sec. 1. As used in this chapter, "center" refers to the Indiana**
 12 **school quality and best practices resources center established by**
 13 **section 2 of this chapter.**

14 **Sec. 2. The Indiana school quality and best practices resource**
 15 **center is established.**

16 **Sec. 3. The center is a public private partnership that includes**
 17 **the following:**

- 18 (1) **Business organizations.**
- 19 (2) **Prekindergarten through grade 12 education**
- 20 **organizations.**
- 21 (3) **Family community organizations.**
- 22 (4) **Higher education institutions.**

23 **Sec. 4. The center shall provide public schools and the**
 24 **communities served by public schools with expertise and training**
 25 **regarding the following:**

- 26 (1) **World class academic standards.**
- 27 (2) **Rigorous performance assessments.**
- 28 (3) **Best curriculum and instructional practices.**
- 29 (4) **Best school organizational practices.**
- 30 (5) **Effective parent and family involvement strategies.**
- 31 (6) **Effective community partnership strategies.**
- 32 (7) **High quality assurance models.**

33 **Sec. 5. The center shall annually sponsor activities throughout**
 34 **the state for the following:**

- 35 (1) **Educators of students in prekindergarten through grade**
- 36 **12.**
- 37 (2) **Parents of school age children.**
- 38 (3) **Community representatives.**
- 39 (4) **Other local school constituents.**

40 **Sec. 6. The programs described in section 4 of this chapter:**

- 41 (1) **must sustain locally determined school quality and**
- 42 **academic progress initiatives; and**

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- 1 **(2) may include the following:**
- 2 **(A) Future visions, including skill and knowledge**
- 3 **requirements for the global economy and information age**
- 4 **of the twenty-first century.**
- 5 **(B) Adapting quality assurance models to schools,**
- 6 **including the Malcolm Baldrige models and total quality**
- 7 **management models.**
- 8 **(C) Integrating world class standards in the local**
- 9 **curriculum.**
- 10 **(D) Aligning standards, curriculum, instruction, and**
- 11 **assessment.**
- 12 **(E) Implementing parent and family school partnerships.**
- 13 **(F) Modeling best curriculum and instruction practices.**

14 **Sec. 7. (a) The following shall jointly award a four (4) year**
 15 **performance contract for the center:**

- 16 **(1) The governor.**
- 17 **(2) The board.**
- 18 **(3) The commission for higher education.**
- 19 **(4) The commission for vocational and technical education.**

20 **(b) Requests for proposals for the center must specify the**
 21 **partners, governance structure, budget, program content, and**
 22 **implementation plan.**

23 **Sec. 8. There is appropriated annually from the state general**
 24 **fund to the governor one million seven hundred fifty thousand**
 25 **dollars (\$1,750,000) for the performance contract for operation of**
 26 **the center.**

27 **SECTION 8. THE FOLLOWING ARE REPEALED [EFFECTIVE**
 28 **JUNE 30, 2000]: IC 20-1-1-8; IC 20-5-62; IC 20-10.1-26.**

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