



Reprinted
February 1, 2000

SENATE BILL No. 468

DIGEST OF SB 468 (Updated January 31, 2000 5:13 PM - DI 71)

Citations Affected: IC 20-5.5; IC 20-7.5; noncode.

Synopsis: Charter schools. Allows a sponsor to issue a charter to an organizer to establish a charter school. Defines a "sponsor" as: (1) the governing body of a school corporation; (2) two or more school corporations acting jointly; (3) a public university that has an accredited school of education; or (4) the mayor of a consolidated city. Sets forth the organization, powers, 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. Allows the employees of a charter school to organize and collectively bargain. Requires 100% of the teachers in a charter school to hold a license to teach in a public school; however, provides a transitional provision that allows 25% of the teachers in a charter school to be unlicensed until the professional standards board implements a system of alternative teacher licensing. 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 the teacher whose contract is canceled continue to apply to that teacher. Allows the conversion of an existing public school to a charter school if at least 51% of the teachers and 51% of the parents approve of the conversion. Provides that only the governing body of the school corporation in which a conversion charter school is located may act as sponsor for the school. Makes conforming amendments to related statutes.

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Effective: Upon passage.

Lubbers

January 10, 2000, read first time and referred to Committee on Education.
January 27, 2000, amended, reported favorably — Do Pass.
January 31, 2000, read second time, amended, ordered engrossed.

SB 468—LS 7204/DI 71+



Reprinted
February 1, 2000

Second Regular Session 111th General Assembly (2000)

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 1999 General Assembly.

SENATE BILL No. 468

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 **a sponsor for the establishment of a charter school.**
12 **Sec. 4. "Charter school" means a public elementary school or**
13 **secondary school established under this article that:**
14 **(1) is nonsectarian and nonreligious; and**
15 **(2) operates under a charter.**
16 **Sec. 5. "Department" refers to the department of education**
17 **established by IC 20-1-1.1-2.**

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- 1 **Sec. 6. "Elementary school" has the meaning set forth in**
 2 **IC 20-10.1-1-15.**
- 3 **Sec. 7. "Governing body" has the meaning set forth in**
 4 **IC 20-5-1-3(b).**
- 5 **Sec. 8. "Home based instruction" means instruction that:**
 6 **(1) a parent establishes, organizes, and directs for education**
 7 **of the parent's child; and**
 8 **(2) excuses a child from compulsory school attendance under**
 9 **IC 20-8.1-3-34.**
- 10 **Sec. 9. "Organizer" means a group or an entity that enters into**
 11 **a contract under this article to operate a charter school.**
- 12 **Sec. 10. "Parent" has the meaning set forth in IC 20-1-1.8-8.**
- 13 **Sec. 11. "Proposal" refers to a proposal from an organizer to**
 14 **establish a charter school.**
- 15 **Sec. 12. "Public school" has the meaning set forth in**
 16 **IC 20-10.1-1-2.**
- 17 **Sec. 13. "Regional charter school" means a charter school**
 18 **established jointly by two (2) or more school corporations.**
- 19 **Sec. 14. "School corporation" has the meaning set forth in**
 20 **IC 20-5-1-3(a).**
- 21 **Sec. 15. "Secondary school" means a high school (as defined in**
 22 **IC 20-10.1-1-16).**
- 23 **Sec. 16. "Sponsor" means the following:**
 24 **(1) For a charter school, one (1) of the following:**
 25 **(A) A governing body.**
 26 **(B) A state educational institution (as defined in**
 27 **IC 20-12-0.5-1) that has an accredited school of education.**
 28 **(C) The executive (as defined in IC 36-1-2-5) of a**
 29 **consolidated city.**
 30 **(2) For a regional charter school, two (2) or more governing**
 31 **bodies acting jointly.**
- 32 **Sec. 17. "Teacher" has the meaning set forth in IC 20-6.1-1-8.**
- 33 **Chapter 2. Description**
- 34 **Sec. 1. A charter school may be established under this article to**
 35 **provide innovative and autonomous programs that do the**
 36 **following:**
 37 **(1) Serve the different learning styles and needs of public**
 38 **school students.**
 39 **(2) Offer public school students appropriate and innovative**
 40 **choices.**
 41 **(3) Afford varied opportunities for professional educators.**
 42 **(4) Allow public schools freedom and flexibility in exchange**



- 1 for exceptional levels of accountability.
- 2 (5) Provide parents, students, community members, and local
- 3 entities with an expanded opportunity for involvement in the
- 4 public school system.
- 5 Sec. 2. A charter school is subject to all federal and state laws
- 6 and constitutional provisions that prohibit discrimination on the
- 7 basis of the following:
- 8 (1) Disability.
- 9 (2) Race.
- 10 (3) Color.
- 11 (4) Gender.
- 12 (5) National origin.
- 13 (6) Religion.
- 14 (7) Ancestry.
- 15 Chapter 3. Establishment
- 16 Sec. 1. A sponsor may grant a charter to an organizer to operate
- 17 a charter school under this article.
- 18 Sec. 2. A sponsor may not grant a charter to a for-profit
- 19 organizer.
- 20 Sec. 3. An organizer may submit to the sponsor a proposal to
- 21 establish a charter school. A proposal must contain at least the
- 22 following information:
- 23 (1) Identification of the organizer.
- 24 (2) A description of the organizer's organizational structure
- 25 and governance plan.
- 26 (3) The following information for the proposed charter
- 27 school:
- 28 (A) Name.
- 29 (B) Purposes.
- 30 (C) Governance structure.
- 31 (D) Management structure.
- 32 (E) Educational mission goals.
- 33 (F) Curriculum and instructional methods.
- 34 (G) Methods of pupil assessment.
- 35 (H) Admission policy and criteria, subject to IC 20-5.5-5.
- 36 (I) School calendar.
- 37 (J) Age or grade range of pupils to be enrolled.
- 38 (K) A description of staff responsibilities.
- 39 (L) A description and the address of the physical plant.
- 40 (M) Budget and financial plans.
- 41 (N) Personnel plan, including methods for selection,
- 42 retention, and compensation of employees.

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- 1 **(O) Transportation plan.**
 2 **(P) Discipline program.**
 3 **(Q) Plan for compliance with any applicable desegregation**
 4 **order.**
 5 **(R) The date when the charter school is expected to:**
 6 **(i) begin school operations; and**
 7 **(ii) have students in attendance at the charter school.**
 8 **(S) The arrangement for providing teachers and other staff**
 9 **with health insurance, retirement benefits, liability**
 10 **insurance, and other benefits.**
 11 **(4) The manner in which an annual audit of the program**
 12 **operations of the charter school is to be conducted by the**
 13 **sponsor.**
 14 **Sec. 4. (a) This subsection applies only to a sponsor that is the**
 15 **executive of a consolidated city. Before issuing a charter, the**
 16 **sponsor must:**
 17 **(1) receive the approval of a majority of the members of the**
 18 **legislative body (as defined in IC 36-1-2-9) of the consolidated**
 19 **city for the establishment of a charter school; and**
 20 **(2) comply with the requirements of subsection (b).**
 21 **The sponsor may issue charters only for charter schools in a school**
 22 **corporation that is located in whole or in part in the most populous**
 23 **township in the consolidated city and that serves the largest**
 24 **geographical territory of any school corporation in the township.**
 25 **(b) Before issuing a charter, a sponsor that is not the governing**
 26 **body of the school corporation in which the proposed charter**
 27 **school is located must do the following:**
 28 **(1) Notify the school corporation in which the proposed**
 29 **charter school is to be located of the pending charter school**
 30 **application.**
 31 **(2) Not later than thirty (30) days before the public hearing**
 32 **required under subdivision (5), provide the school corporation**
 33 **identified in subdivision (1) with a copy of the charter school**
 34 **proposal submitted under section 3 of this chapter.**
 35 **(3) Give notice under IC 5-3-1-2(b) of the public hearing**
 36 **required under this section.**
 37 **(4) Make available to the public copies of the charter school**
 38 **application, or require the organizer to make copies available**
 39 **to the public.**
 40 **(5) Hold a public hearing reasonably close to the location of**
 41 **the proposed charter school, at which testimony must be**
 42 **allowed from the organizer, the school corporation identified**

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in subdivision (1), and members of the public.

(6) Conduct any meeting pertaining to the authorization or denial of a charter school proposal in settings that are open and reasonably available to the public.

(c) A sponsor that is the governing body of the school corporation in which the proposed charter school is located must comply with the following:

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

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

(3) Hold a public hearing reasonably close to the location of the proposed charter school, at which testimony must be allowed from the organizer and members of the public.

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

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

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

(1) begin school operations; and

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

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

Sec. 8. (a) A governing body must notify the department of the following:

(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 legislative council.

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1 **Sec. 9.** If a sponsor rejects a charter school proposal, the
2 organizer may:

- 3 (1) amend the charter school proposal and resubmit the
4 proposal to the same sponsor; or
5 (2) submit a charter school proposal to another sponsor.

6 **Sec. 10.** A school that has qualified for a strategic and
7 continuous school improvement and achievement plan under
8 IC 20-1-1-6.3 may revise its qualification plan for submission
9 under this chapter as a charter school proposal.

10 **Chapter 4. The Charter**

11 **Sec. 1.** A charter must do the following:

- 12 (1) Be a written instrument.
13 (2) Be executed by a sponsor and an organizer.
14 (3) Confer certain rights, franchises, privileges, and
15 obligations on a charter school.
16 (4) Confirm the status of a charter school as a public school.
17 (5) Be granted for:
18 (A) not less than three (3) years; and
19 (B) a fixed number of years agreed to by the governing
20 body and the organizer.
21 (6) Provide for:
22 (A) a review by the sponsor of the charter school's
23 performance, including the progress of the charter school
24 in achieving the academic goals set forth in the charter, at
25 least one (1) time in each five (5) year period while the
26 charter is in effect; and
27 (B) renewal, if the sponsor and the organizer agree to
28 renew the charter.
29 (7) Specify the grounds for the sponsor to:
30 (A) revoke the charter before the end of the term for which
31 the charter is granted; or
32 (B) not renew a charter.
33 (8) Set forth the methods by which the charter school is held
34 accountable for achieving the educational mission and goals
35 of the charter school, including the following:
36 (A) Evidence of improvement in assessment measures,
37 attendance rates, and graduation rates (if appropriate),
38 and increased numbers of academic honors diplomas.
39 (B) Evidence of progress toward reaching the educational
40 goals set by the organizer.
41 (9) Describe the method to be used to monitor the charter
42 school's:



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- 1 (A) compliance with applicable law; and
 2 (B) performance in meeting targeted educational
 3 performance.
 4 (10) Specify that the sponsor and the organizer may amend
 5 the charter during the term of the charter by mutual consent
 6 and describe the process for amending the charter.
 7 (11) Describe specific operating requirements, including all of
 8 the matters set forth in the application for the charter.
 9 (12) Specify a date when the charter school will:
 10 (A) begin school operations; and
 11 (B) have students in attendance at the charter school.
 12 (13) Specify that records of a charter school relating to the
 13 school's operation and charter are subject to inspection and
 14 copying to the same extent that records of a public school are
 15 subject to inspection and copying under IC 5-14-3.
 16 (14) Specify that records provided by the charter school to the
 17 department or sponsor that relate to compliance by the
 18 operator with the terms of the charter or applicable state or
 19 federal laws are subject to inspection and copying in
 20 accordance with IC 5-14-3.
 21 (15) Specify that the charter school is subject to the
 22 requirements of IC 5-14-1.5.
- 23 **Chapter 5. Student Admissions and Enrollment**
 24 **Sec. 1. Except as provided in this chapter, a charter school must**
 25 **be open to any student who resides in Indiana.**
 26 **Sec. 2. Except as provided in this chapter, a charter school may**
 27 **not establish admission policies or limit student admissions on the**
 28 **basis of:**
 29 (1) intellectual ability;
 30 (2) a measure of achievement or aptitude; or
 31 (3) athletic ability.
 32 **Sec. 3. (a) Except as provided in subsections (b) and (c), a**
 33 **charter school must enroll any eligible student who submits a**
 34 **timely application for enrollment.**
 35 (b) This subsection applies if the number of applications for a
 36 program, class, grade level, or building exceeds the capacity of the
 37 program, class, grade level, or building. If a charter school receives
 38 a greater number of applications than there are spaces for
 39 students, each timely applicant must be given an equal chance of
 40 admission.
 41 (c) A charter school may limit new admissions to the charter
 42 school to:

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

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

6 **Chapter 6. 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. Individuals must choose to be teachers at a charter**
 11 **school voluntarily, and a charter school shall voluntarily choose**
 12 **such individuals to be its teachers.**

13 **Sec. 3. Employees of a charter school may organize and bargain**
 14 **collectively under IC 20-7.5.**

15 **Sec. 4. Each individual who teaches in a charter school must**
 16 **hold a license to teach in a public school.**

17 **Sec. 5. (a) A charter school shall participate in the following:**

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

20 (2) The public employees' retirement fund in accordance with
 21 IC 5-10.3.

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

25 (c) A person who:

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

27 (2) is not eligible to participate in the Indiana state teachers'
 28 retirement fund;

29 is a member of the public employees' retirement fund.

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

36 **Sec. 6. The decision by a sponsor whether to grant a charter**
 37 **shall not be subject to restraint by the collective bargaining**
 38 **agreement.**

39 **Sec. 7. As a school corporation grants a charter to a charter**
 40 **school and individuals choose and are chosen by the charter school**
 41 **to teach in the charter school, the school corporation may make**
 42 **personnel adjustments among its noncharter school teachers that**



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

10 Sec. 8. The governing body must grant a transfer of 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 sponsored by the governing body within the school
 14 corporation. During the term of 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 school
- 17 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 7. 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) local funding for any purpose except capital projects;

33 a charter school student is counted in the same manner as a student
 34 of the school corporation in which the charter school student
 35 resides.

36 Sec. 3. (a) Not later than the date established by the department
 37 for determining average daily membership under
 38 IC 21-3-1.6-1.1(d), the organizer shall submit to the department the
 39 following information:

- 40 (1) The number of students enrolled in the charter school.
- 41 (2) The name of each student and the school corporation in
 42 which the student resides.



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1 (b) After verifying the accuracy of the information reported
2 under subsection (a), the department shall distribute the following
3 to the organizer:

4 (1) Tuition support and other state funding for any purpose
5 for students in the charter school.

6 (2) A proportionate share of state and federal funds received
7 for students with disabilities or staff services for students with
8 disabilities for the students with disabilities enrolled in the
9 charter school.

10 (3) A proportionate share of funds received under federal or
11 state categorical aid programs for students who are eligible
12 for the federal or state aid enrolled in the charter school.

13 (c) Not later than the date established by the department for
14 determining average daily membership under IC 21-3-1.6-1.1(d),
15 the organizer shall submit to each governing body a report of the
16 total number and names of students from the governing body's
17 school corporation enrolled in the charter school. Upon verifying
18 the accuracy of the information reported, the governing body shall
19 distribute to the organizer a proportionate share of local support
20 for the students enrolled in the charter school in an amount
21 determined under STEP THREE of the following formula:

22 STEP ONE: Add the revenues obtained by the school
23 corporation's:

24 (A) general fund property tax levy; and

25 (B) general fund auto excise and financial institutions tax.

26 STEP TWO: Divide the sum determined under STEP ONE by
27 the total number of students enrolled in the school
28 corporation.

29 STEP THREE: Multiply the quotient determined under STEP
30 TWO by the number of students enrolled in the charter
31 school.

32 Sec. 4. (a) Services that a school corporation provides to a
33 charter school, including transportation, may be provided at not
34 more than one hundred three percent (103%) of the actual cost of
35 the services.

36 (b) This subsection applies to a sponsor that is a state
37 educational institution described in IC 20-5.5-1-16(1)(B). A state
38 educational institution may receive from a governing body an
39 administrative fee equal to not more than five percent (5%) of the
40 total amount the governing body distributes under section 3(c) of
41 this chapter to the organizer of a charter school sponsored by the
42 state educational institution.



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1 **Sec. 5. An organizer may apply for and accept for a charter**
 2 **school:**

- 3 (1) independent financial grants; or
 4 (2) funds from public or private sources other than the
 5 department.

6 **Sec. 6. With the approval of a majority of the members of the**
 7 **governing body, a school corporation may distribute a**
 8 **proportionate share of the school corporation's capital project**
 9 **fund to a charter school.**

10 **Chapter 8. Powers and Exemptions**

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

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

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

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

33 **Sec. 3. For each charter school established under this article, the**
 34 **charter school and the organizer are accountable to the sponsor for**
 35 **ensuring compliance with:**

- 36 (1) applicable federal and state laws;
 37 (2) the charter; and
 38 (3) the Constitution of the State of Indiana.

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

- 42 (1) Any Indiana statute applicable to a governing body or

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school corporation.

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

(3) A rule or guideline adopted by the professional standards board (established by IC 20-1-1.4-2), except for those rules that assist a teacher in gaining or renewing a standard or advanced license.

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

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

- (1) IC 20-1-1.5 (unified accounting system).
- (2) IC 20-1-6 (special education).
- (3) IC 20-5-2-3 (subject to laws requiring regulation by state agencies).
- (4) IC 20-6.1-4-15 (void teacher contract when two (2) contracts are signed).
- (5) IC 20-6.1-6-11 (nondiscrimination for teacher marital status).
- (6) IC 20-6.1-6-13 (teacher freedom of association).
- (7) IC 20-6.1-6-15 (school counselor immunity).
- (8) IC 20-8.1-3 (compulsory school attendance).
- (9) IC 20-8.1-5.1-13, IC 20-8.1-5.1-15, and IC 20-8.1-5.1-15.5 (student due process and judicial review).
- (10) IC 20-8.1-7 and IC 20-8.1-8 (health and safety measures).
- (11) IC 20-8.1-9-3 (exemption from school fees for eligible families and fee reimbursement).
- (12) IC 20-8.1-9-5 (notice to parents concerning financial assistance).
- (13) IC 20-8.1-12 (reporting of student violations of law).
- (14) IC 20-10.1-2-4 and IC 20-10.1-2-6 (patriotic commemorative observances).
- (15) IC 20-10.1-16, IC 20-10.1-17, or any other statute, rule, or guideline related to standardized testing (assessment programs, including remediation under the assessment programs).
- (16) IC 20-10.1-22.4 (parental access to education records).
- (17) IC 5-11-1-9 (requiring audit by state board of accounts).

Chapter 9. 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.

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

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

- (1) the charter; and**
- (2) all applicable laws.**

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

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

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

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

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

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Chapter 10. Student Transfers From Charter Schools

Sec. 1. A public noncharter school that receives a transfer student from a charter school may not discriminate against the student in any way, including placing the student:

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

Chapter 11. Conversion of Existing Schools Into Charter Schools

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

- (1) At least fifty-one percent (51%) of the teachers at the school have signed a petition requesting the conversion.**
- (2) At least fifty-one percent (51%) of the parents of students at the school have signed a petition requesting the conversion.**

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

Sec. 3. The organizers shall submit a proposal under IC 20-5.5-3 to the governing body of the school corporation in which an existing elementary or secondary school is located to convert the existing school into a charter school.

Sec. 4. Only the governing body of the school corporation in which an existing public elementary or secondary school that seeks conversion to a charter school is located may act as the sponsor of the conversion charter school.

Sec. 5. An existing public school that is converted into a charter school remains subject to an existing collective bargaining agreement unless at least fifty-one percent (51%) of the certificated staff of the school vote to remove the school from the collective bargaining agreement.

Chapter 12. 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 two (2) or more school corporations a proposal to establish a regional charter school. A proposal must contain at least the following information:

- (1) Identification of the organizer.**

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- 1 **(2) A description of the organizer's organizational structure**
- 2 **and governance plan.**
- 3 **(3) The following information for the proposed charter**
- 4 **school:**
- 5 **(A) Name.**
- 6 **(B) Purposes.**
- 7 **(C) Governance structure.**
- 8 **(D) Management structure.**
- 9 **(E) Educational mission goals.**
- 10 **(F) Curriculum and instructional methods.**
- 11 **(G) Methods of pupil assessment.**
- 12 **(H) Admission policy and criteria, subject to IC 20-5.5-5.**
- 13 **(I) School calendar.**
- 14 **(J) Age or grade range of pupils to be enrolled.**
- 15 **(K) A description of staff responsibilities.**
- 16 **(L) A description and the address of the physical plant.**
- 17 **(M) Budget and financial plans.**
- 18 **(N) Personnel plan, including methods for selection,**
- 19 **retention, and compensation of employees.**
- 20 **(O) Transportation plan.**
- 21 **(P) Discipline program.**
- 22 **(Q) Plan for compliance with any applicable desegregation**
- 23 **order.**
- 24 **(R) The date the charter school is expected to:**
- 25 **(i) begin school operations; and**
- 26 **(ii) have students in attendance at the charter school.**
- 27 **(S) The arrangement for providing teachers and other staff**
- 28 **with health insurance, retirement benefits, liability**
- 29 **insurance, and other benefits.**
- 30 **(4) Identification of the school corporation in which the**
- 31 **regional charter school will be located.**
- 32 **(5) The manner in which an annual audit of the program**
- 33 **operations of the regional charter school is to be conducted by**
- 34 **the sponsoring governing bodies.**
- 35 **Sec. 3. Before issuing a charter, the governing bodies of the**
- 36 **school corporations seeking to sponsor the proposed charter school**
- 37 **must do the following:**
- 38 **(1) Make available to the public copies of the charter school**
- 39 **application, or require the organizer to make copies available**
- 40 **to the public.**
- 41 **(2) Give notice under IC 5-3-1-2(b) of the public hearing**
- 42 **required under this section.**

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(3) Hold a public hearing reasonably close to the location of the proposed charter school, at which testimony must be allowed from the organizer and members of the public.

Sec. 4. 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. 5. (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 the regional charter school, the governing bodies of any school corporations that wish to continue participation in the regional charter school must grant a new charter to an organizer to operate a regional charter school under this article.

Sec. 6. (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 legislative council.**

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

SECTION 2. IC 20-7.5-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. As used in this chapter:

(a) "School corporation" means any local public school corporation established under Indiana law and, in the case of public vocational schools or schools for children with disabilities established or maintained by two (2) or more school corporations, shall refer to such schools.

(b) "Governing body" ~~shall mean:~~ means:

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- 1 (1) the board or commission charged by law with the
- 2 responsibility of administering the affairs of the school
- 3 corporation; **or**
- 4 (2) **the body that administers a charter school established**
- 5 **under IC 20-5.5.**
- 6 (c) "School employer" means:
- 7 (1) the governing body of each:
- 8 (A) school corporation; **or**
- 9 (B) **charter school established under IC 20-5.5;** and
- 10 (2) any person or persons authorized to act for the governing body
- 11 of the school employer in dealing with its employees.
- 12 (d) "Superintendent" shall mean:
- 13 (1) the chief administrative officer of any:
- 14 (A) school corporation; **or**
- 15 (B) **charter school established under IC 20-5.5;** or
- 16 (2) any person or persons designated by the officer or by the
- 17 governing body to act in the officer's behalf in dealing with school
- 18 employees.
- 19 (e) "School employee" means any full-time certificated person in the
- 20 employment of the school employer. A school employee shall be
- 21 considered full time even though the employee does not work during
- 22 school vacation periods, and accordingly works less than a full year.
- 23 There shall be excluded from the meaning of school employee
- 24 supervisors, confidential employees, employees performing security
- 25 work and noncertificated employees.
- 26 (f) "Certificated employee" means a person:
- 27 (1) whose contract with the school corporation requires that ~~he~~
- 28 **the person** hold a license or permit from the state board of
- 29 education or a commission thereof as provided in IC 20-6.1; **or**
- 30 (2) **employed as a teacher by a charter school established**
- 31 **under IC 20-5.5.**
- 32 (g) "Noncertificated employee" means any school employee whose
- 33 employment is not dependent upon the holding of a license or permit
- 34 as provided in IC 20-6.1.
- 35 (h) "Supervisor" means any individual who has:
- 36 (1) authority, acting for the school corporation, to hire, transfer,
- 37 suspend, lay off, recall, promote, discharge, assign, reward, or
- 38 discipline school employees;
- 39 (2) responsibility to direct school employees and adjust their
- 40 grievances; or
- 41 (3) responsibility to effectively recommend the action described
- 42 in ~~subsections~~ **subdivisions** (1) through (2);

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1 that is not of a merely routine or clerical nature but requires the use of
2 independent judgment. The term includes superintendents, assistant
3 superintendents, business managers and supervisors, directors with
4 school corporation-wide responsibilities, principals and vice principals,
5 and department heads who have responsibility for evaluating teachers.

6 (i) "Confidential employee" means a school employee whose
7 unrestricted access to confidential personnel files or whose functional
8 responsibilities or knowledge in connection with the issues involved in
9 dealings between the school corporation and its employees would make
10 the confidential employee's membership in a school employee
11 organization incompatible with the employee's official duties.

12 (j) "Employees performing security work" means any school
13 employee whose primary responsibility is the protection of personal
14 and real property owned or leased by the school corporation or who
15 performs police or quasi-police powers.

16 (k) "School employee organization" means any organization which
17 has school employees as members and one (1) of whose primary
18 purposes is representing school employees in dealing with their school
19 employer, and includes any person or persons authorized to act on
20 behalf of such organizations.

21 (l) "Exclusive representative" means the school employee
22 organization which has been certified for the purposes of this chapter
23 by the board or recognized by a school employer as the exclusive
24 representative of the employees in an appropriate unit as provided in
25 section 10 of this chapter, or the person or persons duly authorized to
26 act on behalf of such representative.

27 (m) "Board" means the Indiana education employment relations
28 board provided by this chapter.

29 (n) "Bargain collectively" means the performance of the mutual
30 obligation of the school employer and the exclusive representative to
31 meet at reasonable times to negotiate in good faith with respect to items
32 enumerated in section 4 of this chapter and to execute a written
33 contract incorporating any agreement relating to such matters. Such
34 obligation shall not include the final approval of any contract
35 concerning these or any other items. Agreements reached through
36 collective bargaining are binding as a contract only if ratified by the
37 governing body of the school corporation and the exclusive
38 representative. The obligation to bargain collectively does not require
39 the school employer or the exclusive representative to agree to a
40 proposal of the other or to make a concession to the other.

41 (o) "Discuss" means the performance of the mutual obligation of the
42 school corporation through its superintendent and the exclusive

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1 representative to meet at reasonable times to discuss, to provide
 2 meaningful input, to exchange points of view, with respect to items
 3 enumerated in section 5 of this chapter. This obligation shall not,
 4 however, require either party to enter into a contract, to agree to a
 5 proposal, or to require the making of a concession. A failure to reach
 6 an agreement on any matter of discussion shall not require the use of
 7 any part of the impasse procedure, as provided in section 13 of this
 8 chapter. Neither the obligation to bargain collectively nor to discuss
 9 any matter shall prevent any school employee from petitioning the
 10 school employer, the governing body, or the superintendent for a
 11 redress of the employee's grievances either individually or through the
 12 exclusive representative, nor shall either such obligation prevent the
 13 school employer or the superintendent from conferring with any
 14 citizen, taxpayer, student, school employee, or other person considering
 15 the operation of the schools and the school corporation.

16 (p) "Strike" means concerted failure to report for duty, willful
 17 absence from one's position, stoppage of work, or abstinence in whole
 18 or in part from the full, faithful, and proper performance of the duties
 19 of employment, without the lawful approval of the school employer, or
 20 in any concerted manner interfering with the operation of the school
 21 employer for any purpose.

22 (q) "Deficit financing" with respect to any budget year shall mean
 23 expenditures in excess of money legally available to the employer.

24 SECTION 3. [EFFECTIVE UPON PASSAGE] (a)
 25 **Notwithstanding IC 20-5.5-6-4, as added by this act, until the end**
 26 **of the school year in which the professional standards board**
 27 **(established by IC 20-1-1.4-2) implements an alternative method of**
 28 **beginning teacher licensure, the following apply to teachers in a**
 29 **charter school:**

30 (1) **A teacher must have a four (4) year college degree from an**
 31 **accredited institution.**

32 (2) **At least seventy-five percent (75%) of the teachers in a**
 33 **charter school must hold a license to teach in a public school.**

34 (3) **Not more than twenty-five percent (25%) of a charter**
 35 **school's teaching staff may be individuals who:**

36 (A) **are not licensed to teach in a public school; and**

37 (B) **possess specific knowledge or skills that are critical to**
 38 **the mission of the charter school.**

39 (4) **A charter school teacher described in subdivision (3) is**
 40 **subject to:**

41 (A) **regular performance reviews; and**

42 (B) **professional development activities;**

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1 **as determined and identified by the organizer.**
2 **(b) This SECTION expires June 30, 2005.**
3 **SECTION 4. 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 No. 468, 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 9, line 26, after "charter school" insert "**sponsored by the governing body**".

and when so amended that said bill do pass.

(Reference is to SB 468 as introduced.)

WEATHERWAX, Chairperson

Committee Vote: Yeas 7, Nays 3.

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SENATE MOTION

Mr. President: I move that Senate Bill 468 be amended to read as follows:

Page 8, delete lines 15 through 29, begin a new paragraph and insert:

"Sec. 4. Each individual who teaches in a charter school must hold a license to teach in a public school."

Page 12, line 16, delete "or the professional standards board (established by" and insert ".".

Page 12, delete line 17, begin a new line single block indented and insert:

"(3) A rule or guideline adopted by the professional standards board (established by IC 20-1-1.4-2), except for those rules that assist a teacher in gaining or renewing a standard or advanced license."

Page 12, line 18, delete "(3)" and insert "(4)".

Page 14, line 31, after "IC 20-5.5-3" insert **"to the governing body of the school corporation in which an existing elementary or secondary school is located"**.

Page 14, line 32, delete "an" and insert **"the"**.

Page 14, between lines 32 and 33, begin a new paragraph and insert:

"Sec. 4. Only the governing body of the school corporation in which an existing public elementary or secondary school that seeks conversion to a charter school is located may act as the sponsor of the conversion charter school."

Page 14, line 33, delete "4." and insert **"5."**

Page 17, line 23, delete "full time" and insert "full-time".

Page 19, between lines 27 and 28, begin a new paragraph and insert:

"SECTION 3. [EFFECTIVE UPON PASSAGE] (a) Notwithstanding IC 20-5.5-6-4, as added by this act, until the end of the school year in which the professional standards board (established by IC 20-1-1.4-2) implements an alternative method of beginning teacher licensure, the following apply to teachers in a charter school:

(1) A teacher must have a four (4) year college degree from an accredited institution.

(2) At least seventy-five percent (75%) of the teachers in a charter school must hold a license to teach in a public school.

(3) Not more than twenty-five percent (25%) of a charter school's teaching staff may be individuals who:

(A) are not licensed to teach in a public school; and

(B) possess specific knowledge or skills that are critical to



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the mission of the charter school.

(4) A charter school teacher described in subdivision (3) is subject to:

(A) regular performance reviews; and

(B) professional development activities;

as determined and identified by the organizer.

(b) This SECTION expires June 30, 2005."

Renumber all SECTIONS consecutively.

(Reference is to SB 468 as printed January 28, 2000.)

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