



Reprinted
April 12, 2011

ENGROSSED HOUSE BILL No. 1002

DIGEST OF HB 1002 (Updated April 11, 2011 2:34 pm - DI 71)

Citations Affected: IC 5-10; IC 20-24; IC 20-26; IC 20-28; IC 20-43; IC 20-49; noncode.

Synopsis: Charter schools. Allows charter schools to opt in to the state health insurance plans. Establishes the charter school board as a statewide sponsor of charter schools. Provides that the department of education shall provide staff to the charter school board until the board begins receiving administrative fees from schools chartered by the board. Adds certain nonprofit private colleges and universities as eligible charter school sponsors. Establishes certain accountability criteria for charter school sponsors, and places charter schools under accountability standards for public schools. Adds: (1) student academic growth; (2) financial performance and stability; and (3) board performance and stewardship; to the list of items to be included in a (Continued next page)

Effective: Upon passage; July 1, 2011; January 1, 2012.

Bosma, Behning, Sullivan, Noe

(SENATE SPONSORS — KRUSE, YODER, BUCK, BANKS)

January 13, 2011, read first time and referred to Committee on Education.
January 25, 2011, amended, reported — Do Pass.
February 7, 2011, read second time, amended, ordered engrossed.
February 8, 2011, engrossed. Read third time, passed. Yeas 59, nays 37.

SENATE ACTION

February 17, 2011, read first time and referred to Committee on Education and Career Development.
March 17, 2011, amended, reported favorably — Do Pass; reassigned to Committee on Appropriations.
March 24, 2011, amended, reported favorably — Do Pass.
April 4, 2011, read second time, amended, ordered engrossed.
April 5, 2011, engrossed. Returned to second reading.
April 11, 2011, re-read second time, amended, ordered engrossed.

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charter school's charter. Requires uniform and consistent transfer of credits for students who transfer from a charter school to another public school. Stipulates that a teacher in a conversion charter school may be an employee of the charter school or the school corporation as determined in a charter school's charter. Provides that at least 90% of the full time teachers in a charter school must be licensed or in the process of obtaining a license. Ends the virtual charter school pilot program, and allows existing virtual charter schools to seek sponsors. Provides that a virtual charter school's funding is equal to the sum of: (1) the virtual charter school's ADM multiplied by 85% of the school's foundation amount (rather than 80% of the statewide average basic tuition support, under current law); plus (2) the total of any special education grants to which the virtual charter school is entitled. Provides that each school year, at least 60% of the students who are enrolled in virtual charter schools for the first time must have been included in the state's ADM count for the previous school year. Sets out the conditions, accounting process, and reporting procedures for a charter school sponsor concerning the collection of fees from its sponsored charter schools. Requires the department of education to establish a charter school page on the department's Internet web site. Establishes the charter school facilities assistance program and fund. Specifies the purposes for which grants and loans of money in the fund may be used. Provides that money in the fund may be used to match federal grants from the United States Department of Education for charter school facilities, and deletes current law that allows common school fund interest to provide these state matching funds. Changes the procedure for converting a public school into a charter school. Establishes a process by which charter schools may lease or purchase unused, closed, or unoccupied school buildings that are maintained by school corporations and are not being used for classroom instruction. Permits the state board of education to close a charter school, transfer sponsorship of a charter school, or reduce the administrative fees collected by the sponsor of the charter school, if the charter school remains in the lowest performance category or designation for five years. Permits the state board of education to suspend the authority of a sponsor if at least 25% of the sponsor's charter schools have been subject to an accountability action. Provides that a charter school that has received an advance for operational costs from the common school fund does not have to make principal or interest payments during the state fiscal years beginning July 1, 2011, and July 1, 2012. Makes conforming changes. Repeals provisions concerning the number of charter schools an executive of a consolidated city may sponsor and that include teachers in a conversion charter school in the school corporation's bargaining unit.

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April 12, 2011

First Regular Session 117th General Assembly (2011)

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 2010 Regular Session of the General Assembly.

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ENGROSSED HOUSE BILL No. 1002

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 5-10-8-1, AS AMENDED BY P.L.194-2007,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2011]: Sec. 1. The following definitions apply in this chapter:
4 (1) "Employee" means:
5 (A) an elected or appointed officer or official, or a full-time
6 employee;
7 (B) if the individual is employed by a school corporation, a
8 full-time or part-time employee;
9 (C) for a local unit public employer, a full-time or part-time
10 employee or a person who provides personal services to the
11 unit under contract during the contract period; or
12 (D) a senior judge appointed under IC 33-24-3-7;
13 whose services have continued without interruption at least thirty
14 (30) days.
15 (2) "Group insurance" means any of the kinds of insurance

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1 fulfilling the definitions and requirements of group insurance
 2 contained in IC 27-1.
 3 (3) "Insurance" means insurance upon or in relation to human life
 4 in all its forms, including life insurance, health insurance,
 5 disability insurance, accident insurance, hospitalization insurance,
 6 surgery insurance, medical insurance, and supplemental medical
 7 insurance.
 8 (4) "Local unit" includes a city, town, county, township, public
 9 library, municipal corporation (as defined in IC 5-10-9-1), or
 10 school corporation, **or charter school**.
 11 (5) "New traditional plan" means a self-insurance program
 12 established under section 7(b) of this chapter to provide health
 13 care coverage.
 14 (6) "Public employer" means the state or a local unit, including
 15 any board, commission, department, division, authority,
 16 institution, establishment, facility, or governmental unit under the
 17 supervision of either, having a payroll in relation to persons it
 18 immediately employs, even if it is not a separate taxing unit. With
 19 respect to the legislative branch of government, "public employer"
 20 or "employer" refers to the following:
 21 (A) The president pro tempore of the senate, with respect to
 22 former members or employees of the senate.
 23 (B) The speaker of the house, with respect to former members
 24 or employees of the house of representatives.
 25 (C) The legislative council, with respect to former employees
 26 of the legislative services agency.
 27 (7) "Public employer" does not include a state educational
 28 institution.
 29 (8) "Retired employee" means:
 30 (A) in the case of a public employer that participates in the
 31 public employees' retirement fund, a former employee who
 32 qualifies for a benefit under IC 5-10.3-8 or IC 5-10.2-4;
 33 (B) in the case of a public employer that participates in the
 34 teachers' retirement fund under IC 5-10.4, a former employee
 35 who qualifies for a benefit under IC 5-10.4-5; and
 36 (C) in the case of any other public employer, a former
 37 employee who meets the requirements established by the
 38 public employer for participation in a group insurance plan for
 39 retired employees.
 40 (9) "Retirement date" means the date that the employee has
 41 chosen to receive retirement benefits from the employees'
 42 retirement fund.

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1 SECTION 2. IC 5-10-8-6.7, AS AMENDED BY P.L.109-2010,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2011]: Sec. 6.7. (a) As used in this section, "state employee
4 health plan" means a:

5 (1) self-insurance program established under section 7(b) of this
6 chapter; or

7 (2) contract with a prepaid health care delivery plan entered into
8 under section 7(c) of this chapter;

9 to provide group health coverage for state employees.

10 (b) The state personnel department shall allow a school corporation
11 **or charter school** to elect to provide coverage of health care services
12 for active and retired employees of the school corporation under any
13 state employee health plan. If a school corporation **or charter school**
14 elects to provide coverage of health care services for active and retired
15 employees of the school corporation **or charter school** under a state
16 employee health plan, it must provide coverage for all active and
17 retired employees of the school corporation **or charter school** under
18 the state employee health plan (other than any employees covered by
19 an Indiana comprehensive health insurance association policy or
20 individuals who retire from the school corporation before July 1, 2010,
21 **or charter school before July 1, 2011**) if coverage was provided for
22 these employees under the prior policies.

23 (c) The following apply if a school corporation **or charter school**
24 elects to provide coverage for active and retired employees of the
25 school corporation **or charter school** under subsection (b):

26 (1) The state shall not pay any part of the cost of the coverage.

27 (2) The coverage provided to an active or retired school
28 corporation **or charter school** employee under this section must
29 be the same as the coverage provided to an active or retired state
30 employee under the state employee health plan.

31 (3) Notwithstanding sections 2.2 and 2.6 of this chapter:

32 (A) the school corporation **or charter school** shall pay for the
33 coverage provided to an active or retired school corporation **or**
34 **charter school** employee under this section an amount not
35 more than the amount paid by the state for coverage provided
36 to an active or retired state employee under the state employee
37 health plan; and

38 (B) an active or retired school corporation **or charter school**
39 employee shall pay for the coverage provided to the active or
40 retired school corporation **or charter** employee under this
41 section an amount that is at least equal to the amount paid by
42 an active or retired state employee for coverage provided to

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1 the active or retired state employee under the state employee
2 health plan.
3 However, this subdivision does not apply to contractual
4 commitments made by a school corporation to individuals who
5 retire before July 1, 2010, **or a charter school to individuals**
6 **who retire before July 1, 2011.**
7 (4) The school corporation **or charter school** shall pay any
8 administrative costs of the school corporation's **or charter**
9 **school's** participation in the state employee health plan.
10 (5) The school corporation **or charter school** shall provide the
11 coverage elected under subsection (b) for a period of at least three
12 (3) years beginning on the date the coverage of the school
13 corporation **or charter school** employees under the state
14 employee health plan begins.
15 (d) The state personnel department shall provide an enrollment
16 period at least every thirty (30) days for a school corporation **or**
17 **charter school** that elects to provide coverage under subsection (b).
18 (e) The state personnel department may adopt rules under IC 4-22-2
19 to implement this section.
20 (f) Neither this section nor a school corporation's **or charter**
21 **school's** election to participate in a state employee health plan as
22 provided in this section impairs the rights of an exclusive
23 representative of the certificated or noncertificated employees of the
24 school corporation **or charter school** to collectively bargain all matters
25 related to school employee health insurance programs and benefits.
26 SECTION 3. IC 20-24-1-3.5 IS ADDED TO THE INDIANA CODE
27 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
28 1, 2011]: **Sec. 3.5. "Charter board" refers to the Indiana charter**
29 **school board established under IC 20-24-2.1.**
30 SECTION 4. IC 20-24-1-6.2 IS ADDED TO THE INDIANA CODE
31 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
32 UPON PASSAGE]: **Sec. 6.2. "Fund", for purposes of IC 20-24-12,**
33 **refers to the charter school facilities assistance fund.**
34 SECTION 5. IC 20-24-1-7.5 IS ADDED TO THE INDIANA CODE
35 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
36 UPON PASSAGE]: **Sec. 7.5. "Program", for purposes of**
37 **IC 20-24-12, refers to the charter school facilities assistance**
38 **program under IC 20-24-12.**
39 SECTION 6. IC 20-24-1-9, AS AMENDED BY P.L.2-2007,
40 SECTION 208, IS AMENDED TO READ AS FOLLOWS
41 [EFFECTIVE JULY 1, 2011]: Sec. 9. "Sponsor" means, for a charter
42 school, one (1) of the following:

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- 1 (1) A governing body.
- 2 (2) A state educational institution that offers a four (4) year
- 3 baccalaureate degree.
- 4 (3) The executive (as defined in IC 36-1-2-5) of a consolidated
- 5 city.
- 6 **(4) The charter board.**
- 7 **(5) A nonprofit college or university that provides a four (4)**
- 8 **year educational program for which it awards a**
- 9 **baccalaureate or more advanced degree, including the**
- 10 **following:**
 - 11 **Anderson University**
 - 12 **Bethel College**
 - 13 **Butler University**
 - 14 **Calumet College of St. Joseph**
 - 15 **DePauw University**
 - 16 **Earlham College**
 - 17 **Franklin College**
 - 18 **Goshen College**
 - 19 **Grace College**
 - 20 **Hanover College**
 - 21 **Holy Cross College**
 - 22 **Huntington University**
 - 23 **Indiana Tech**
 - 24 **Indiana Wesleyan University**
 - 25 **Manchester College**
 - 26 **Marian University**
 - 27 **Martin University**
 - 28 **Oakland City University**
 - 29 **Rose-Hulman Institute of Technology**
 - 30 **Saint Joseph's College**
 - 31 **Saint Mary-of-the-Woods College**
 - 32 **Saint Mary's College**
 - 33 **Taylor University**
 - 34 **Trine University**
 - 35 **University of Evansville**
 - 36 **University of Indianapolis**
 - 37 **University of Notre Dame**
 - 38 **University of Saint Francis**
 - 39 **Valparaiso University**
 - 40 **Wabash College.**

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41 SECTION 7. IC 20-24-2.1 IS ADDED TO THE INDIANA CODE
42 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE



1 JULY 1, 2011]:

2 **Chapter 2.1. Indiana Charter School Board**

3 **Sec. 1. (a) The Indiana charter school board is established for**
4 **the purpose of sponsoring charter schools throughout Indiana.**

5 **(b) The charter board is a statewide charter school sponsor**
6 **composed of the following seven (7) members appointed to four (4)**
7 **year terms:**

8 **(1) Two (2) members, who may not be members of the same**
9 **political party, appointed by the governor.**

10 **(2) One member who has previous experience with or on**
11 **behalf of charter schools appointed by the state**
12 **superintendent.**

13 **(3) Four (4) members, who may not be legislators, appointed**
14 **as follows:**

15 **(A) One (1) member appointed by the president pro**
16 **tempore of the senate.**

17 **(B) One (1) member appointed by the minority leader of**
18 **the senate.**

19 **(C) One (1) member appointed by the speaker of the house**
20 **of representatives.**

21 **(D) One (1) member appointed by the minority leader of**
22 **the house of representatives.**

23 **(c) The governor shall appoint the chairperson of the charter**
24 **board.**

25 **(d) A majority of the members appointed to the charter board**
26 **constitutes a quorum. The affirmative votes of a majority of the**
27 **voting members appointed to the charter board are required for**
28 **the charter board to take action.**

29 **(e) Each member of the charter board who is not a state**
30 **employee is entitled to the minimum salary per diem provided by**
31 **IC 4-10-11-2.1(b). The member is also entitled to reimbursement**
32 **for traveling expenses as provided under IC 4-13-1-4 and other**
33 **expenses actually incurred in connection with the member's duties**
34 **as provided in the state policies and procedures established by the**
35 **Indiana department of administration and approved by the budget**
36 **agency.**

37 **Sec. 2. The charter board, with assistance from the department,**
38 **shall:**

39 **(1) establish a process to:**

40 **(A) review a proposal to establish a charter school under**
41 **IC 20-24-3-4;**

42 **(B) make a decision on the proposal as required under**

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1 **IC 20-24-3-9; and**
 2 **(C) monitor charter schools sponsored by the charter**
 3 **board; and**
 4 **(2) publish guidelines concerning the review process described**
 5 **in subdivision (1);**
 6 **not later than December 31, 2011.**

7 **Sec. 3. The department shall provide staff to carry out the duties**
 8 **of the charter board under this chapter until the time when the**
 9 **charter board begins receiving administrative fees pursuant to**
 10 **IC 20-24-7-4(e). At that time, the charter board may hire staff to**
 11 **carry out the duties of the charter board under this chapter.**

12 **Sec. 4. Funding for the charter board consists of administrative**
 13 **fees collected under IC 20-24-7-4.**

14 **SECTION 8. IC 20-24-2.2 IS ADDED TO THE INDIANA CODE**
 15 **AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE**
 16 **JULY 1, 2011]:**

17 **Chapter 2.2. Monitoring and Accountability of Sponsors**

18 **Sec. 1. The department shall establish a charter school page on**
 19 **the department's Internet web site that includes information on the**
 20 **following:**

- 21 **(1) All approved sponsors, including the sponsors' processes**
 22 **for the following:**
 - 23 **(A) Monitoring approved schools at regular intervals.**
 - 24 **(B) Establishing minimum standards for renewing a**
 25 **charter or not renewing a charter.**
 - 26 **(C) Processes and standards for school closure, including**
 27 **the transfer of academic records to other schools and**
 28 **postsecondary educational institutions.**
- 29 **(2) All pending applications for a charter.**
- 30 **(3) All approved applications for a charter.**
- 31 **(4) All rejected applications for a charter.**
- 32 **(5) Annual performance data that includes the same**
 33 **demographic and performance data required from school**
 34 **corporations.**

35 **Sec. 2. The minimum standards for renewal and the standards**
 36 **to avoid closure imposed by sponsors on the charter school in the**
 37 **charter school agreement must include a requirement that the**
 38 **charter school not fall within the application of IC 20-31-9-4,**
 39 **notwithstanding IC 20-31-9-1.**

40 **Sec. 3. (a) After giving at least thirty (30) days notice, the state**
 41 **board may require a sponsor to appear at a hearing conducted by**
 42 **the state board if the sponsor has renewed a charter or failed to**

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1 close a charter school that does not meet the minimum standards
2 in the charter agreement, as posed on the department's Internet
3 web site.

4 (b) After the hearing, the state board may implement one (1) or
5 more of the following actions unless the state board finds sufficient
6 justification for the charter school's performance under the state
7 school accountability system:

8 (1) Transfer the sponsorship of the charter school identified
9 in subsection (a) to the charter board.

10 (2) Order the closure of the charter school identified in
11 subsection (a) on the date set by the state board.

12 (3) Order the reduction of any administrative fee collected
13 under IC 20-24-7-4 that is applicable to the charter school
14 identified in subsection (a) to an amount not greater than fifty
15 percent (50%) of the amount allowed under IC 20-24-7-4.

16 (c) In determining whether to impose consequences under
17 subsection (b), the state board must consider the following:

18 (1) Enrollment of students with special challenges such as
19 drug or alcohol addiction, prior withdrawal from school,
20 prior incarceration, or other special circumstances.

21 (2) High mobility of the student population resulting from the
22 specific purpose of the charter school.

23 (3) Annual improvement in the performance of students
24 enrolled in the charter school, as measured by IC 20-31-8-1,
25 compared with the performance of students enrolled in the
26 charter school in the immediately preceding school year.

27 **Sec. 4. If the state board has closed or transferred sponsorship
28 of at least twenty-five percent (25%) of the charter schools
29 chartered by one (1) sponsor under section 3 of this chapter, the
30 sponsor's authority to sponsor new charter schools may be
31 suspended by the state board until the state board approves the
32 sponsor to sponsor new charter schools. A determination under
33 this section to suspend a sponsor's authority to sponsor new
34 charter schools must identify the deficiencies that, if corrected, will
35 result in the approval of the sponsor to sponsor new charter
36 schools.**

37 SECTION 9. IC 20-24-3-4, AS ADDED BY P.L.1-2005, SECTION
38 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,
39 2011]: Sec. 4. (a) An organizer may submit to the sponsor a proposal
40 to establish a charter school.

41 (b) A proposal must contain at least the following information:

42 (1) Identification of the organizer.

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- 1 (2) A description of the organizer's organizational structure and
- 2 governance plan.
- 3 (3) The following information for the proposed charter school:
- 4 (A) Name.
- 5 (B) Purposes.
- 6 (C) Governance structure.
- 7 (D) Management structure.
- 8 (E) Educational mission goals.
- 9 (F) Curriculum and instructional methods.
- 10 (G) Methods of pupil assessment.
- 11 (H) Admission policy and criteria, subject to IC 20-24-5.
- 12 (I) School calendar.
- 13 (J) Age or grade range of students to be enrolled.
- 14 (K) A description of staff responsibilities.
- 15 (L) A description ~~and the address~~ of the physical plant.
- 16 (M) Budget and financial plans.
- 17 (N) Personnel plan, including methods for selection, retention,
- 18 and compensation of employees.
- 19 (O) Transportation plan.
- 20 (P) Discipline program.
- 21 (Q) Plan for compliance with any applicable desegregation
- 22 order.
- 23 (R) The date when the charter school is expected to:
- 24 (i) begin school operations; and
- 25 (ii) have students attending the charter school.
- 26 (S) The arrangement for providing teachers and other staff
- 27 with health insurance, retirement benefits, liability insurance,
- 28 and other benefits.
- 29 **(T) Any other applications submitted to a sponsor in the**
- 30 **previous five (5) years.**
- 31 (4) The manner in which the sponsor must conduct an annual
- 32 audit of the program operations of the charter school.
- 33 (c) This section does not waive, limit, or modify the provisions of:
- 34 (1) IC 20-29 in a charter school where the teachers have chosen
- 35 to organize under IC 20-29; or
- 36 (2) an existing collective bargaining agreement for noncertificated
- 37 employees (as defined in IC 20-29-2-11).
- 38 SECTION 10. IC 20-24-3-5.5 IS ADDED TO THE INDIANA
- 39 CODE AS A NEW SECTION TO READ AS FOLLOWS
- 40 [EFFECTIVE JULY 1, 2011]: **Sec. 5.5. This section applies to a**
- 41 **sponsor that is not the executive of a consolidated city.**
- 42 **(b) Before issuing a charter, the sponsor must conduct a public**

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1 **hearing concerning the establishment of the proposed charter**
2 **school. At the public hearing, the governing body of the school**
3 **corporation in which the proposed charter school will be located**
4 **must be given an opportunity to comment on the effect of the**
5 **proposed charter school on the school corporation, including any**
6 **foreseen negative impacts on the school corporation.**

7 SECTION 11. IC 20-24-3-10, AS ADDED BY P.L.1-2005,
8 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 JULY 1, 2011]: Sec. 10. (a) A sponsor must notify the department of
10 the following:

- 11 (1) Receipt of a proposal.
- 12 (2) Acceptance of a proposal.
- 13 (3) Rejection of a proposal, including the reasons for the
- 14 rejection.
- 15 **(4) The length of time for which a charter is granted.**
- 16 **(5) School goals, educational program design, and an**
- 17 **education management organization operating a school, if**
- 18 **applicable.**
- 19 **(6) The name and address of the education management**
- 20 **organization, and the name of the chief operating officer of**
- 21 **the education management organization, if applicable.**

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

- 23 (1) Compile the information received under subsection (a) into a
- 24 report.
- 25 (2) Submit the report in an electronic format under IC 5-14-6 to
- 26 the legislative council.

27 SECTION 12. IC 20-24-4-1, AS ADDED BY P.L.1-2005,
28 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
29 JANUARY 1, 2012]: Sec. 1. (a) A charter must meet the following
30 requirements:

- 31 (1) Be a written instrument.
- 32 (2) Be executed by a sponsor and an organizer.
- 33 (3) Confer certain rights, franchises, privileges, and obligations
- 34 on a charter school.
- 35 (4) Confirm the status of a charter school as a public school.
- 36 (5) Be granted for:
- 37 (A) not less than three (3) years; and
- 38 (B) a fixed number of years agreed to by the sponsor and the
- 39 organizer.
- 40 (6) Provide for **the following:**
- 41 (A) A review by the sponsor of the charter school's
- 42 performance, including the progress of the charter school in

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- 1 achieving the academic goals set forth in the charter, at least
- 2 one (1) time in each five (5) year period while the charter is in
- 3 effect. ~~and~~
- 4 (B) Renewal, if the sponsor and the organizer agree to renew
- 5 the charter.
- 6 (7) Specify the grounds for the sponsor to:
- 7 (A) revoke the charter before the end of the term for which the
- 8 charter is granted; or
- 9 (B) not renew a charter.
- 10 (8) Set forth the methods by which the charter school will be held
- 11 accountable for achieving the educational mission and goals of
- 12 the charter school, including the following:
- 13 (A) Evidence of improvement in:
- 14 (i) assessment measures, including the ISTEP ~~program and~~
- 15 ~~the graduation examination; and end of course~~
- 16 **assessments;**
- 17 (ii) attendance rates;
- 18 (iii) graduation rates (if appropriate);
- 19 (iv) increased numbers of Core 40 diplomas **and other**
- 20 **college and career ready indicators including advanced**
- 21 **placement participation and passage, dual credit**
- 22 **participation and passage, and International**
- 23 **Baccalaureate participation and passage** (if appropriate);
- 24 ~~and~~
- 25 (v) increased numbers of academic honors **and technical**
- 26 **honors** diplomas (if appropriate);
- 27 **(vi) student academic growth;**
- 28 **(vii) financial performance and stability; and**
- 29 **(viii) governing board performance and stewardship,**
- 30 **including compliance with applicable laws, rules and**
- 31 **regulations, and charter terms.**
- 32 (B) Evidence of progress toward reaching the educational
- 33 goals set by the organizer.
- 34 (9) Describe the method to be used to monitor the charter
- 35 school's:
- 36 (A) compliance with applicable law; and
- 37 (B) performance in meeting targeted educational performance.
- 38 (10) Specify that the sponsor and the organizer may amend the
- 39 charter during the term of the charter by mutual consent and
- 40 describe the process for amending the charter.
- 41 (11) Describe specific operating requirements, including all the
- 42 matters set forth in the application for the charter.

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- 1 (12) Specify a date when the charter school will:
- 2 (A) begin school operations; and
- 3 (B) have students attending the charter school.
- 4 (13) Specify that records of a charter school relating to the
- 5 school's operation and charter are subject to inspection and
- 6 copying to the same extent that records of a public school are
- 7 subject to inspection and copying under IC 5-14-3.
- 8 (14) Specify that records provided by the charter school to the
- 9 department or sponsor that relate to compliance by the organizer
- 10 with the terms of the charter or applicable state or federal laws are
- 11 subject to inspection and copying in accordance with IC 5-14-3.
- 12 (15) Specify that the charter school is subject to the requirements
- 13 of IC 5-14-1.5.

14 **(b) A charter school shall set annual performance targets in**
 15 **conjunction with the charter school's sponsor. The annual**
 16 **performance targets shall be designed to help each school meet**
 17 **applicable federal, state, and sponsor expectations.**

18 SECTION 13. IC 20-24-5-1, AS ADDED BY P.L.1-2005,
 19 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 JULY 1, 2011]: Sec. 1. ~~Except as provided in this chapter,~~ A charter
 21 school, ~~that is not a conversion charter school~~ **including a conversion**
 22 **charter school**, must be open to any student who resides in Indiana.

23 SECTION 14. IC 20-24-5-4, AS ADDED BY P.L.1-2005,
 24 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 JULY 1, 2011]: Sec. 4. (a) Except as provided in this chapter, a charter
 26 school may not establish admission policies or limit student admissions
 27 in any manner in which a public school is not permitted to establish
 28 admission policies or limit student admissions.

29 **(b) Notwithstanding subsection (a), a charter school may**
 30 **operate as a single gender school if approved to do so by the**
 31 **sponsor. A single gender charter school must be open to any**
 32 **student of the gender the school serves who resides in Indiana.**

33 SECTION 15. IC 20-24-5-5, AS ADDED BY P.L.1-2005,
 34 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 35 JULY 1, 2011]: Sec. 5. (a) Except as provided in subsections (b), (c),
 36 and (d), a charter school must enroll any eligible student who submits
 37 a timely application for enrollment.

38 (b) This subsection applies if the number of applications for a
 39 program, class, grade level, or building exceeds the capacity of the
 40 program, class, grade level, or building. If a charter school receives a
 41 greater number of applications than there are spaces for students, each
 42 timely applicant must be given an equal chance of admission. **The**

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1 **organizer must determine which of the applicants will be admitted**
2 **to the charter school or the program, class, grade level, or building**
3 **by random drawing in a public meeting.**

4 (c) A charter school may limit new admissions to the charter school
5 to:

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

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

11 (d) This subsection applies to an existing school that converts to a
12 charter school under IC 20-24-11. During the school year in which the
13 existing school converts to a charter school, the charter school may
14 limit admission to:

15 (1) those students who were enrolled in the charter school on the
16 date of the conversion; and

17 (2) siblings of students described in subdivision (1).

18 SECTION 16. IC 20-24-6-1, AS ADDED BY P.L.1-2005,
19 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 JULY 1, 2011]: Sec. 1. (a) ~~Except as provided in subsection (b);~~
21 Individuals who work at a charter school are employees of the charter
22 school or of an entity with which the charter school has contracted to
23 provide services.

24 (b) Teachers in a conversion charter school ~~are~~ **may be** employees
25 **of the charter school or** of both the charter school and the school
26 corporation that sponsored the charter school, **as determined by the**
27 **provisions of the charter.** ~~For purposes of the collective bargaining~~
28 ~~agreement, conversion charter school teachers are considered~~
29 ~~employees of the school corporation that sponsored the charter school.~~

30 (c) All benefits accrued by teachers as employees of the conversion
31 charter school are the financial responsibility of the conversion charter
32 school. ~~The conversion charter school shall pay those benefits directly~~
33 ~~or reimburse the school corporation for the cost of the benefits.~~

34 (d) All benefits accrued by a teacher during the time the teacher was
35 an employee only of the school corporation that sponsored the charter
36 school are the financial responsibility of the school corporation. The
37 school corporation shall pay those benefits directly or reimburse the
38 conversion charter school for the cost of the benefits.

39 (e) ~~For any other purpose not otherwise stated in this section, a~~
40 ~~teacher is an employee of the charter school.~~

41 SECTION 17. IC 20-24-6-5, AS ADDED BY P.L.1-2005,
42 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 JULY 1, 2011]: Sec. 5. (a) ~~An individual~~ **At least ninety percent**
2 **(90%) of the individuals** who ~~teaches~~ **teach full time** in a charter
3 school must either:

4 (1) hold a license to teach in a public school in Indiana under
5 IC 20-28-5; or

6 (2) be in the process of obtaining a license to teach in a public
7 school in Indiana under the transition to teaching program
8 established by IC 20-28-4-2;

9 **unless the charter school requests and the state board approves a**
10 **waiver for a lower percentage.**

11 **(b) An individual who does not qualify under subsection (a) may**
12 **teach full time in a charter school if the individual meets one of the**
13 **following criteria:**

14 **(1) The individual is in the process of obtaining a license to**
15 **teach in a charter school in Indiana under IC 20-28-5-16.**

16 **(2) The individual holds at least a bachelor's degree with a**
17 **grade point average of at least three (3.0) on a four (4.0) point**
18 **scale from an accredited postsecondary educational**
19 **institution in the content or related area in which the**
20 **individual teaches.**

21 **Individuals qualifying under subsection (b) may not exceed ten**
22 **percent (10%) of the full time teaching staff unless the charter**
23 **school requests and the state board approves a waiver for a higher**
24 **percentage.**

25 ~~(b)~~ **(c) An individual described in subsection (a)(2) must complete**
26 **the transition to teaching program not later than three (3) years after**
27 **beginning to teach at a charter school.**

28 **(d) An individual who holds a part-time teaching position in a**
29 **charter school must hold at least a bachelor's degree with a grade**
30 **point average of at least three (3.0) on a four (4.0) point scale from**
31 **an accredited postsecondary educational institution in the content**
32 **or related area in which the individual teaches.**

33 ~~(e)~~ **(e) An individual who provides to students in a charter school a**
34 **service:**

35 (1) that is not teaching; and

36 (2) for which a license is required under Indiana law;
37 must have the appropriate license to provide the service in Indiana.

38 SECTION 18. IC 20-24-7-4, AS AMENDED BY P.L.146-2008,
39 SECTION 462, IS AMENDED TO READ AS FOLLOWS
40 [EFFECTIVE JULY 1, 2011]: Sec. 4. (a) Services that a school
41 corporation provides to a charter school, including transportation, may
42 be provided at not more than one hundred three percent (103%) of the

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actual cost of the services.

(b) This subsection applies to a sponsor that is a state educational institution described in IC 20-24-1-7(2). In a calendar year, a state educational institution may receive from the organizer of a charter school sponsored by the state educational institution an administrative fee equal to not more than three percent (3%) of the total amount the organizer receives during the calendar year from basic tuition support (as defined in IC 20-43-1-8).

(c) This subsection applies to the executive of a consolidated city that sponsors a charter school. In a calendar year, the executive may collect from the organizer of a charter school sponsored by the executive an administrative fee equal to not more than three percent (3%) of the total amount the organizer receives during the calendar year for basic tuition support.

(d) This subsection applies to a sponsor that is a nonprofit college or university that is approved by the state board of education. In a calendar year, a private college or university may collect from the organizer of a charter school sponsored by the private college or university an administrative fee equal to not more than three percent (3%) of the total amount the organizer receives during the calendar year for basic tuition support.

(e) This subsection applies to the charter board. In a calendar year, the charter school board may collect from the organizer of a charter school sponsored by the charter board an administrative fee equal to not more than three percent (3%) of the total amount the organizer receives during the calendar year for basic tuition support.

(f) A sponsor's administrative fee may not include any costs incurred in delivering services that a charter school may purchase at its discretion from the sponsor. The sponsor shall use its funding provided under this section exclusively for the purpose of fulfilling sponsoring obligations.

(g) Except for oversight services, a charter school may not be required to purchase services from its sponsor as a condition of charter approval or of executing a charter contract, nor may any such condition be implied.

(h) A charter school may choose to purchase services from its sponsor. In that event, the charter school and sponsor shall execute an annual service contract, separate from the charter contract, stating the parties' mutual agreement concerning the services to be provided by the sponsor and any service fees to be charged to the charter school. A sponsor may not charge more than market rates

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1 for services provided to a charter school.

2 (i) Not later than ninety (90) days after the end of each fiscal
3 year, each sponsor shall provide to each charter school it sponsors
4 an itemized accounting of the actual costs of services purchased by
5 the charter school from the sponsor. Any difference between the
6 amount initially charged to the charter school and the actual cost
7 shall be reconciled and paid to the owed party. If either party
8 disputes the itemized accounting, any charges included in the
9 accounting, or charges to either party, either party may request a
10 review by the department. The requesting party shall pay the costs
11 of the review.

12 SECTION 19. IC 20-24-7-11, AS AMENDED BY
13 P.L.182-2009(ss), SECTION 314, IS AMENDED TO READ AS
14 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 11. (a) If the United
15 States Department of Education approves a new competition for states
16 to receive matching funds for charter school facilities, the department
17 shall pursue this federal funding.

18 (b) The department shall use the common school fund interest
19 balance to provide state matching funds for the federal funding
20 described in subsection (a) for the benefit of charter schools.

21 (c) (b) To increase the state's opportunity to receive matching funds
22 from the United States Department of Education, the department shall
23 develop a facilities incentive grants program before January 1, 2010.

24 (d) (c) The department shall use the priority criteria set forth in 21
25 U.S.C. 7221d(b) and 34 CFR 226.12 through 34 CFR 226.14 to
26 develop the facilities incentive grants program.

27 SECTION 20. IC 20-24-7-13, AS AMENDED BY P.L.1-2010,
28 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
29 JULY 1, 2011]: Sec. 13. (a) As used in this section, "virtual charter
30 school" means any charter school, including a conversion charter
31 school, that provides for the delivery of more than fifty percent (50%)
32 of instruction to students through:

- 33 (1) virtual distance learning;
- 34 (2) online technologies; or
- 35 (3) computer based instruction.

36 (b) The department shall establish a pilot program to provide
37 funding for a statewide total of up to two hundred (200) students who
38 attend virtual charter schools in the school year ending in 2010 and five
39 hundred (500) students who attend virtual charter schools in the school
40 year ending in 2011. The department shall choose an entity or entities
41 to operate the virtual charter school. The pilot program must focus on
42 children who have medical disabilities or circumstances that prevent

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1 them from attending school or for whom a virtual charter school is a
 2 better alternative than a traditional school. At least seventy-five percent
 3 (75%) of the students enrolled in virtual charter schools under this
 4 section must have been included in the ADM count for the previous
 5 school year.

6 **(b) Beginning with the 2011-2012 school year, a virtual charter
 7 school may apply for sponsorship with any statewide sponsor in
 8 accordance with the sponsor's guidelines.**

9 (c) A virtual charter school is entitled to receive funding from the
 10 state in an amount equal to the **sum of:**

11 **(1) the product of:**

12 ~~(1)~~ **(A)** the number of students included in the virtual charter
 13 school's ADM; who are participating in the pilot program;
 14 multiplied by

15 ~~(2)~~ **(B) eighty-five** percent ~~(80%)~~ **(85%)** of the
 16 statewide average basic tuition support; **school's foundation**
 17 **amount determined under IC 20-43-5-4; plus**

18 **(2) the total of any special education grants under IC 20-43-7**
 19 **to which the virtual charter school is entitled.**

20 **A virtual charter school is entitled to receive special education**
 21 **grants under IC 20-43-7 calculated in the same manner as special**
 22 **education grants are calculated for other school corporations.**

23 (d) The department shall adopt rules under IC 4-22-2 to govern the
 24 operation of virtual charter schools.

25 (e) Beginning in 2009, the department shall before December 1 of
 26 each year submit an annual report to the budget committee concerning
 27 the program under this section.

28 **(f) This subsection does not apply to students who were enrolled**
 29 **in a virtual charter school during the 2010-2011 school year. Each**
 30 **school year, at least sixty percent (60%) of the students who are**
 31 **enrolled in virtual charter schools under this section for the first**
 32 **time must have been included in the state's ADM count for the**
 33 **previous school year.**

34 SECTION 21. IC 20-24-9-1, AS ADDED BY P.L.1-2005,
 35 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 JULY 1, 2011]: Sec. 1. ~~An organizer~~ **A sponsor** that has established a
 37 charter school shall submit an annual report to the department for
 38 informational and research purposes.

39 SECTION 22. IC 20-24-9-2, AS ADDED BY P.L.1-2005,
 40 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 JULY 1, 2011]: Sec. 2. An annual report under this chapter must
 42 contain the following information: ~~for a charter school:~~

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1 (1) Results of all standardized testing, including ISTEP program
2 testing, ~~and the graduation examination: end of course~~
3 **assessments, and any other assessments used for each**
4 **sponsored school.**

5 (2) A description of the educational methods and teaching
6 methods employed **for each sponsored school.**

7 (3) ~~Daily Attendance records:~~ **rates for each sponsored school.**

8 (4) Graduation ~~statistics~~ **rates** (if appropriate), including
9 attainment of Core 40 and academic honors diplomas **for each**
10 **sponsored school.**

11 (5) Student enrollment data **for each sponsored school**, including
12 the following:

- 13 (A) The number of students enrolled.
- 14 (B) The number of students expelled.
- 15 (C) ~~The number of students who discontinued attendance at~~
16 ~~the charter school and the reasons for the discontinuation.~~

17 **(6) Schools that closed or for which the charter was not**
18 **renewed, and the reasons for the closure or nonrenewal.**

19 SECTION 23. IC 20-24-10-1, AS ADDED BY P.L.1-2005,
20 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
21 JULY 1, 2011]: Sec. 1. (a) A public noncharter school that receives a
22 transfer student from a charter school may not discriminate against the
23 student in any way, including by placing the student:

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

29 **(b) If a student who previously was enrolled in a charter school**
30 **enrolls in another public school, the public noncharter school shall**
31 **accept all credits earned by the student in courses or instructional**
32 **programs at the charter school in a uniform and consistent**
33 **manner, according to the same criteria that are used to accept**
34 **academic credits from other public schools.**

35 SECTION 24. IC 20-24-11-1, AS ADDED BY P.L.1-2005,
36 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
37 JULY 1, 2011]: Sec. 1. (a) **This section does not apply to an existing**
38 **public elementary or secondary school that the governing body of**
39 **the school corporation in which the school is located has scheduled**
40 **for closure.**

41 **(b) An existing public elementary or secondary school may be**
42 **converted into a charter school if all of the following conditions apply:**

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1 (1) At least sixty percent (60%) of the teachers at the school
2 **fifty-one percent (51%) of the parents of students who attend**
3 **the school** have signed a petition requesting the conversion,
4 **which must be completed not later than ninety (90) days after**
5 **the date of the first signature.**

6 (2) The school has been placed in either of the two (2) lowest
7 categories or designations under IC 20-31-8-3 for two (2)
8 consecutive years.

9 (3) The governing body votes to convert an existing school
10 within the school corporation.

11 (2) At least fifty-one percent (51%) of the parents of students at
12 the school have signed a petition requesting the conversion:

13 (c) Notwithstanding subsection (b), if a governing body operates
14 a school that has been placed in either of the two (2) lowest
15 categories or designations under IC 20-31-8-3 for four (4)
16 consecutive years, the governing body may not serve as that
17 charter school's sponsor.

18 (d) A conversion charter school shall continue to comply with all
19 legal requirements concerning student diversity and treatment of
20 children with special needs and accept all students who attended
21 the school before its conversion and who wish to attend the
22 conversion charter school. If any space remains, any student in
23 Indiana may attend the conversion charter school.

24 SECTION 25. IC 20-24-12 IS ADDED TO THE INDIANA CODE
25 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
26 UPON PASSAGE]:

27 **Chapter 12. Charter School Facilities Assistance Program**

28 **Sec. 1. The charter school facilities assistance program is**
29 **established.**

30 **Sec. 2. The purpose of the program is to make grants and loans**
31 **to charter schools for the purpose of:**

- 32 (1) constructing;
- 33 (2) purchasing;
- 34 (3) renovating;
- 35 (4) maintaining;
- 36 (5) paying first semester costs for new; and
- 37 (6) reducing common school fund debt for;

38 charter schools.

39 **Sec. 3. The department shall administer the program.**

40 **Sec. 4. (a) The charter school facilities assistance fund is**
41 **established. The department shall administer the fund.**

42 (b) The fund consists of the following:

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- 1 (1) Money appropriated or authorized by the general
- 2 assembly.
- 3 (2) The repayment proceeds of loans made to charter schools
- 4 from the fund.
- 5 (3) Any gifts and grants made to the fund or other money
- 6 required by law to be deposited in the fund.
- 7 (4) Any federal grants that are received to capitalize or
- 8 supplement the fund.
- 9 (5) Any earnings on money in the fund.
- 10 (c) The expenses of administering the fund shall be paid from
- 11 money in the fund.
- 12 (d) The treasurer of state shall invest the money in the fund not
- 13 currently needed to meet the obligations of the fund in the same
- 14 manner as other public funds may be invested.
- 15 (e) The fund may be used by the department as a revolving fund
- 16 for the purposes described in section 2 of this chapter.
- 17 (f) Money in the fund at the end of a state fiscal year does not
- 18 revert to the state general fund.
- 19 Sec. 5. The department may apply to the United States
- 20 Department of Education for a state charter school facilities
- 21 incentive program grant authorized under 34 U.S.C. 7221d(b). The
- 22 department shall use the proceeds of any state charter school
- 23 facilities incentive program grant awarded to the state for
- 24 purposes of the program. To the extent permitted by federal law,
- 25 the proceeds may be used to pay the administrative expenses of the
- 26 program.
- 27 Sec. 6. The department may authorize money in the fund to be
- 28 used for any of the following purposes:
- 29 (1) To pay first semester costs for charter schools first
- 30 opening after June 30, 2011.
- 31 (2) To repay advances and loans to charter schools made
- 32 before June 30, 2011.
- 33 (3) To match federal grants described in IC 20-24-7-11(a).
- 34 (4) To loan or grant money from the fund to a charter school
- 35 to carry out the purposes described in section 2 of this
- 36 chapter.
- 37 Sec. 7. (a) The department shall establish written procedures for
- 38 providing grants or loans from the fund to charter schools. The
- 39 written procedures must include at least the following:
- 40 (1) An application procedure.
- 41 (2) A procedure to identify projects that may qualify for a
- 42 grant or loan.

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(3) Criteria for establishing the priority of projects for which grants or loans will be made.

(4) Procedures for selecting projects for which grants or loans will be made.

(b) To apply for a grant or loan from the fund, a charter school must submit an application that contains the information required by the department.

Sec. 8. In making its determination to approve or disapprove a grant or loan application, the department may consider the following:

(1) The soundness of the financial business plans of the applicant charter school.

(2) The availability to the charter school of other sources of funding.

(3) The geographic distribution of grants or loans made from the fund.

(4) The impact that grants or loans received under this chapter will have on the charter school's receipt of other private and public financing.

(5) Plans for innovatively enhancing or leveraging funds received under this chapter, such as loan guarantees or other types of credit enhancements.

(6) The financial needs of the charter school.

Sec. 9. The department may make grants or loans under this chapter on a per student basis.

Sec. 10. The following apply to a loan from the fund to a charter school under this chapter:

(1) A loan may not exceed the maximum amount set by the department.

(2) The term of the loan may not exceed fifteen (15) years after the date of the loan.

(3) A charter school may receive multiple loans from the fund as long as the total amount outstanding on all loans granted to the charter school from the fund do not exceed the maximum amount set by the department.

(4) The department shall determine the interest rate and other terms for the loan, subject to the approval of the state board of finance.

(5) A charter school must enter into a loan agreement with the department before receiving a loan from the fund.

Sec. 11. A charter school receiving a loan under this chapter shall repay the loan from:

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- (1) the amount of state tuition support that the charter school is eligible to receive; and**
- (2) to the extent that state tuition support is insufficient to meet the debt service obligations of the charter school, other resources available to the charter school.**

Sec. 12. The department shall withhold the amount of the balance of the loan due in a year on a loan made under this chapter from state tuition support distributions that would otherwise be made in the year to the charter school. To the extent possible, the department shall withhold an equal amount from each installment of state tuition support distributed to the charter school. Withheld amounts reduce the balance of the loan of the charter school. The auditor of state shall transfer withheld amounts to the fund.

SECTION 26. IC 20-26-5-32.2, AS ADDED BY P.L.41-2009, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 32.2. (a) Notwithstanding IC 22-2-5-1, a school corporation **or charter school** and:

- (1) an employee if there is no representative described under subdivision (2) or (3) for that employee;
 - (2) the exclusive representative of its certificated employees with respect to those employees; or
 - (3) a labor organization representing its noncertificated employees with respect to those employees;
- may agree in writing to a wage payment arrangement.

(b) A wage payment arrangement under subsection (a) may provide that compensation earned during a school year may be paid:

- (1) using equal installments or any other method; and
- (2) over:
 - (A) all or part of that school year; or
 - (B) any other period that begins not earlier than the first day of that school year and ends not later than thirteen (13) months after the wage payment arrangement period begins.

Such an arrangement may provide that compensation earned in a calendar year is paid in the next calendar year, so long as all the compensation is paid within the thirteen (13) month period beginning with the first day of the school year.

(c) A wage payment arrangement under subsection (a) must be structured in such a manner so that it is not considered:

- (1) a nonqualified deferred compensation plan for purposes of Section 409A of the Internal Revenue Code; or
- (2) deferred compensation for purposes of Section 457(f) of the Internal Revenue Code.

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1 (d) Absent an agreement under subsection (a), a school corporation
2 **or charter school** remains subject to IC 22-2-5-1.

3 (e) Wage payments required under a wage payment arrangement
4 entered into under subsection (a) are enforceable under IC 22-2-5-2.

5 (f) If an employee leaves employment for any reason, either
6 permanently or temporarily, the amount due the employee under
7 IC 22-2-5-1 and IC 22-2-9-2 is the total amount of wages earned and
8 unpaid. **If the employment relationship ends at the conclusion of a
9 school year, the school corporation or charter school may pay the
10 employee the remaining wages owed as provided in the written
11 wage payment arrangement.**

12 (g) Employment with a school corporation **or charter school** may
13 not be conditioned upon the acceptance of a wage payment
14 arrangement under subsection (a).

15 (h) An employee may revoke a wage payment arrangement under
16 subsection (a) at the beginning of each school year.

17 SECTION 27. IC 20-26-7-1, AS AMENDED BY P.L.234-2007,
18 SECTION 227, IS AMENDED TO READ AS FOLLOWS
19 [EFFECTIVE JULY 1, 2011]: Sec. 1. (a) If a governing body of a
20 school corporation determines that any real or personal property:

- 21 (1) is no longer needed for school purposes; or
 - 22 (2) should, in the interests of the school corporation, be
23 exchanged for other property;
- 24 the governing body may sell or exchange the property in accordance
25 with IC 36-1-11.

26 (b) Money derived from the sale or exchange of property under this
27 section shall be placed in any school fund:

- 28 (1) established under applicable law; and
- 29 (2) that the governing body considers appropriate.

30 (c) A governing body may not make a covenant that prohibits the
31 sale of real property to another educational institution.

32 **(d) This subsection does not apply to a school building that on
33 July 1, 2011, is leased or loaned by the school corporation that
34 owns the school building to another entity. A governing body shall
35 make available for lease or purchase to any charter school (as
36 defined in IC 20-24-1-4) any school building owned by the school
37 corporation that:**

- 38 (1) either:
- 39 (A) is not used in whole or in part for classroom
40 instruction at the time the charter school seeks to lease the
41 building; or
- 42 (B) appears on the list compiled by the department under

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1 subsection (e); and
 2 (2) was previously used for classroom instruction;
 3 in order for the charter school to conduct classroom instruction.

4 (e) Each governing body shall inform the department whenever
 5 a school building that was previously used for classroom
 6 instruction is closed, unused, or unoccupied. The department shall
 7 maintain a list of closed, unused, or unoccupied school buildings
 8 and make the list available on the department's Internet web site.
 9 Each school corporation shall provide a list of closed, unused, or
 10 unoccupied buildings to the department by the date set by the
 11 department. The department must update the list each year before
 12 August 31.

13 (f) A school building that appears for the first time on the
 14 department's list under subsection (e) shall be designated as
 15 "Unavailable until (a date two (2) years after the school building
 16 first appears on the list)" if the governing body of the school
 17 corporation that owns the school building indicates the school
 18 building may be reclaimed during that period for classroom
 19 instruction, which must begin not later than one (1) year after the
 20 school building is reclaimed. If the school building remains unused
 21 for classroom instruction one (1) year after being reclaimed, the
 22 governing body shall place the school building on the department's
 23 list. A governing body may reclaim a school building only one (1)
 24 time under this subsection.

25 (g) If a charter school wishes to use a school building on the list
 26 created under subsection (e), the charter school shall send a letter
 27 of intent to the department. The department shall notify the school
 28 corporation of the charter school's intent, and the school
 29 corporation that owns the school building shall lease the school
 30 building to the charter school for one dollar (\$1) per year for as
 31 long as the charter school uses the school building for classroom
 32 instruction or for a term at the charter school's discretion, or sell
 33 the school building to the charter school for one dollar (\$1). The
 34 charter school must begin to use the school building for classroom
 35 instruction not later than two (2) years after acquiring the school
 36 building. If the school building is not used for classroom
 37 instruction within two (2) years after acquiring the school building,
 38 the school building shall be placed on the department's list under
 39 subsection (e). If during the term of the lease the charter school
 40 closes or ceases using the school building for classroom instruction,
 41 the school building shall be placed on the department's list under
 42 subsection (e).

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1 **(h) During the term of a lease under subsection (g), the charter**
 2 **school is responsible for the direct expenses related to the school**
 3 **building leased, including utilities, insurance, maintenance, repairs,**
 4 **and remodeling. The school corporation is responsible for any debt**
 5 **incurred for or liens that attached to the school building before the**
 6 **charter school leased the school building.**

7 **(i) If a school building appears on the department's list under**
 8 **subsection (e) for at least forty-eight (48) months, the school**
 9 **corporation may sell or otherwise dispose of the school building in**
 10 **any manner the governing body considers appropriate.**

11 SECTION 28. IC 20-28-5-16 IS ADDED TO THE INDIANA
 12 CODE AS A NEW SECTION TO READ AS FOLLOWS
 13 [EFFECTIVE JULY 1, 2011]: **Sec. 16. The department shall**
 14 **establish a program under which an individual who:**

- 15 **(1) wishes to teach in a charter school in Indiana; and**
 16 **(2) holds at least a bachelor's degree with a grade point**
 17 **average of at least 3.0 on a 4.0 point scale from an accredited**
 18 **postsecondary institution in the content or a related area in**
 19 **which the individual wishes to teach;**

20 **may obtain a license that allows the individual to teach in a charter**
 21 **school. The program must allow the individual to teach in a**
 22 **charter school while the individual is in the process of obtaining the**
 23 **license.**

24 SECTION 29. IC 20-43-6-3, AS AMENDED BY P.L.182-2009(ss),
 25 SECTION 339, IS AMENDED TO READ AS FOLLOWS
 26 [EFFECTIVE JULY 1, 2011]: **Sec. 3. (a) A school corporation's basic**
 27 **tuition support for a year is the amount determined under the applicable**
 28 **provision of this section.**

29 **(b) This subsection applies to a school corporation that has**
 30 **transition to foundation revenue per adjusted ADM for a year that is**
 31 **not equal to the foundation amount for the year. The school**
 32 **corporation's basic tuition support for a year is equal to the school**
 33 **corporation's transition to foundation revenue for the year.**

34 **(c) This subsection applies to a school corporation that has**
 35 **transition to foundation revenue per adjusted ADM for a year that is**
 36 **equal to the foundation amount for the year. The school corporation's**
 37 **basic tuition support for a year is the sum of the following:**

- 38 **(1) The foundation amount for the year multiplied by the school**
 39 **corporation's adjusted ADM.**
 40 **(2) The amount of the annual decrease in federal aid to impacted**
 41 **areas from the year preceding the ensuing calendar year by three**
 42 **(3) years to the year preceding the ensuing calendar year by two**

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1 (2) years.
 2 (d) This subsection applies to students of a virtual charter school
 3 who are participating in ~~the pilot a~~ program under IC 20-24-7-13. A
 4 virtual charter school's basic tuition support for a year for those
 5 students is the amount determined under IC 20-24-7-13.

6 SECTION 30. IC 20-49-7-21, AS ADDED BY P.L.182-2009(ss),
 7 SECTION 363, IS AMENDED TO READ AS FOLLOWS
 8 [EFFECTIVE JULY 1, 2011]: Sec. 21. (a) A charter school, including
 9 a conversion charter school, that has received an advance for
 10 operational costs from the common school fund under this chapter does
 11 not have to make principal or interest payments during the state fiscal
 12 years beginning:

13 (1) July 1, ~~2009~~; **2011**; and
 14 (2) July 1, ~~2010~~; **2012**;
 15 notwithstanding contrary terms in the charter school and state board
 16 advance agreement.

17 (b) The repayment term of the advance shall be extended by two (2)
 18 years to provide for the waiver described in subsection (a) even though
 19 it may make the repayment term for the advance longer than twenty
 20 (20) years.

21 SECTION 31. THE FOLLOWING ARE REPEALED [EFFECTIVE
 22 JULY 1, 2011]: IC 20-24-3-13; IC 20-24-3-15; IC 20-24-5-2;
 23 IC 20-24-5-3; IC 20-24-6-4; IC 20-24-6-9; IC 20-24-11-2;
 24 IC 20-24-11-3; IC 20-24-11-4.

25 SECTION 32. [EFFECTIVE JULY 1, 2011] (a) **Not later than**
 26 **January 1, 2012, an entity that operated under the virtual charter**
 27 **school pilot program under IC 20-24-7-13 before July 1, 2011, shall**
 28 **transfer its operating authority to the charter school board**
 29 **established by IC 20-24-2.1-1, as added by this act, unless the**
 30 **virtual charter school obtains another sponsor.**

31 (b) **Notwithstanding IC 20-24-7-13, as amended by this act, a**
 32 **virtual charter school chosen by the department of education to**
 33 **operate during the 2010-2011 school year shall continue to operate**
 34 **until the virtual charter school transfers its operating authority to**
 35 **the Indiana charter school board or another sponsor.**

36 (c) **This SECTION expires January 1, 2013.**

37 SECTION 33. **An emergency is declared for this act.**

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1002, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete AM100201 adopted by the Committee on Education on January 19, 2011.

Delete AM100204 adopted by the Committee on Education on January 19, 2011.

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 4-4-10.9-6.2, AS AMENDED BY P.L.2-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6.2. (a) "Educational facility project" includes:

(1) the acquisition of land, site improvements, infrastructure improvements, buildings, or structures, the rehabilitation, renovation, and enlargement of buildings and structures, machinery, equipment, furnishings, or facilities (or any combination of these):

(A) comprising or being functionally related and subordinate to any aquaria, botanical societies, historical societies, libraries, museums, performing arts associations or societies, scientific societies, zoological societies, and independent elementary, secondary, or postsecondary educational institution (or any combination of these) that engages in the cultural, intellectual, scientific, educational, or artistic enrichment of the people of the state the development or expansion of which serves the purposes set forth in IC 4-4-11-2;

(B) is not used or to be used primarily for sectarian instruction or study or as a place for devotional activities; and

(C) is not used or to be used primarily in connection with any part of the program of a school or department of divinity for any religious denomination; **or**

(2) funding (including reimbursement or refinancing) by a nonprofit organization described in subsection (b) of:

(A) real property and improvements;

(B) personal property; or

(C) noncapital costs to fund a judgment, a settlement, or other cost or liability, other than an ordinary and recurring operating cost or expenditure; **or**

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(3) funding (including reimbursement or refinancing) by the department of education of:

(A) real property and improvements;

(B) personal property; or

(C) noncapital costs to fund a judgment, a settlement, or other cost or liability, other than an ordinary and recurring operating cost or expenditure;

of a charter school (as defined in IC 20-24-1-4) through the charter school facilities aid fund established by IC 20-24-12-4 or the charter school facilities revolving loan fund established by IC 20-24-13-4.

(b) For purposes of subsection (a)(2), a nonprofit organization must be:

(1) qualified as tax exempt under Section 501(c)(3) of the Internal Revenue Code; and

(2) have headquarters or a primary educational or exhibit facility located on property owned by or titled in the name of the state of Indiana or an agency, a commission, or an instrumentality of the state of Indiana that serves the purposes set forth in IC 4-4-11-2.

SECTION 2. IC 4-4-11-15, AS AMENDED BY P.L.98-2008, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. (a) The authority is granted all powers necessary or appropriate to carry out and effectuate its public and corporate purposes under the affected statutes, including but not limited to the following:

(1) Have perpetual succession as a body politic and corporate and an independent instrumentality exercising essential public functions.

(2) Without complying with IC 4-22-2, adopt, amend, and repeal bylaws, rules, guidelines, and policies not inconsistent with the affected statutes, and necessary or convenient to regulate its affairs and to carry into effect the powers, duties, and purposes of the authority and conduct its business under the affected statutes. These bylaws, rules, guidelines, and policies must be made by a resolution of the authority introduced at one (1) meeting and approved at a subsequent meeting of the authority.

(3) Sue and be sued in its own name.

(4) Have an official seal and alter it at will.

(5) Maintain an office or offices at a place or places within the state as it may designate.

(6) Make, execute, and enforce contracts and all other instruments necessary, convenient, or desirable for the purposes of the

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authority or pertaining to:

(A) a purchase, acquisition, or sale of securities or other investments; or

(B) the performance of the authority's duties and execution of any of the authority's powers under the affected statutes.

(7) Employ architects, engineers, attorneys, inspectors, accountants, agriculture experts, silviculture experts, aquaculture experts, and financial experts, and such other advisors, consultants, and agents as may be necessary in its judgment and to fix their compensation.

(8) Procure insurance against any loss in connection with its property and other assets, including loans and loan notes in amounts and from insurers as it may consider advisable.

(9) Borrow money, make guaranties, issue bonds, and otherwise incur indebtedness for any of the authority's purposes, and issue debentures, notes, or other evidences of indebtedness, whether secured or unsecured, to any person, as provided by the affected statutes. Notwithstanding any other law, the:

(A) issuance by the authority of any indebtedness that establishes a procedure for the authority or a person acting on behalf of the authority to certify to the general assembly the amount needed to restore a debt service reserve fund or another fund to required levels; or

(B) execution by the authority of any other agreement that creates a moral obligation of the state to pay all or part of any indebtedness issued by the authority;

is subject to review by the budget committee and approval by the budget director.

(10) Procure insurance or guaranties from any public or private entities, including any department, agency, or instrumentality of the United States, for payment of any bonds issued by the authority, including the power to pay premiums on any insurance or reinsurance.

(11) Purchase, receive, take by grant, gift, devise, bequest, or otherwise, and accept, from any source, aid or contributions of money, property, labor, or other things of value to be held, used, and applied to carry out the purposes of the affected statutes, subject to the conditions upon which the grants or contributions are made, including but not limited to gifts or grants from any department, agency, or instrumentality of the United States, and lease or otherwise acquire, own, hold, improve, employ, use, and otherwise deal in and with real or personal property or any

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interest in real or personal property, wherever situated, for any purpose consistent with the affected statutes.

(12) Enter into agreements with any department, agency, or instrumentality of the United States or this state and with lenders and enter into loan agreements, sales contracts, and leases with contracting parties, including participants (as defined in IC 13-11-2-151.1) for any purpose permitted under IC 13-18-13 or IC 13-18-21, borrowers, lenders, developers, or users, for the purpose of planning, regulating, and providing for the financing and refinancing of any agricultural enterprise (as defined in IC 5-28-31-1), rural development project (as defined in IC 5-28-31-20), industrial development project, purpose permitted under IC 13-18-13 and IC 13-18-21, or international exports, and distribute data and information concerning the encouragement and improvement of agricultural enterprises and agricultural employment, rural development projects, industrial development projects, international exports, and other types of employment in the state undertaken with the assistance of the authority under this chapter.

(13) Enter into contracts or agreements with lenders and lessors for the servicing and processing of loans and leases pursuant to the affected statutes.

(14) Provide technical assistance to local public bodies and to profit and nonprofit entities in the development or operation of agricultural enterprises, rural development projects, and industrial development projects.

(15) To the extent permitted under its contract with the holders of the bonds of the authority, consent to any modification with respect to the rate of interest, time, and payment of any installment of principal or interest, or any other term of any contract, loan, loan note, loan note commitment, contract, lease, or agreement of any kind to which the authority is a party.

(16) To the extent permitted under its contract with the holders of bonds of the authority, enter into contracts with any lender containing provisions enabling it to reduce the rental or carrying charges to persons unable to pay the regular schedule of charges when, by reason of other income or payment by any department, agency, or instrumentality of the United States of America or of this state, the reduction can be made without jeopardizing the economic stability of the agricultural enterprise, rural development project, or industrial development project being financed.

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(17) Notwithstanding IC 5-13, but subject to the requirements of any trust agreement entered into by the authority, invest:

- (A) the authority's money, funds, and accounts;
- (B) any money, funds, and accounts in the authority's custody; and
- (C) proceeds of bonds or notes;

in the manner provided by an investment policy established by resolution of the authority.

(18) Fix and revise periodically, and charge and collect, fees and charges as the authority determines to be reasonable in connection with:

- (A) the authority's loans, guarantees, advances, insurance, commitments, and servicing; and
- (B) the use of the authority's services or facilities.

(19) Cooperate and exchange services, personnel, and information with any federal, state, or local government agency, or instrumentality of the United States or this state.

(20) Sell, at public or private sale, with or without public bidding, any loan or other obligation held by the authority.

(21) Enter into agreements concerning, and acquire, hold, and dispose by any lawful means, land or interests in land, building improvements, structures, personal property, franchises, patents, accounts receivable, loans, assignments, guarantees, and insurance needed for the purposes of the affected statutes.

(22) Take assignments of accounts receivable, loans, guarantees, insurance, notes, mortgages, security agreements securing notes, and other forms of security, attach, seize, or take title by foreclosure or conveyance to any industrial development project when a guaranteed loan thereon is clearly in default and when in the opinion of the authority such acquisition is necessary to safeguard the industrial development project guaranty fund, and sell, or on a temporary basis, lease or rent such industrial development project for any use.

(23) Expend money provided to the authority by the Indiana economic development corporation from the industrial development project guaranty fund created by IC 5-28-30, subject to the terms of any agreement with the Indiana economic development corporation governing the expenditure of that money.

(24) Purchase, lease as lessee, construct, remodel, rebuild, enlarge, or substantially improve industrial development projects, including land, machinery, equipment, or any combination

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thereof.

(25) Lease industrial development projects to users or developers, with or without an option to purchase.

(26) Sell industrial development projects to users or developers, for consideration to be paid in installments or otherwise.

(27) Make:

(A) direct loans from the proceeds of the bonds to users or developers for:

~~(A)~~ (i) the cost of acquisition, construction, or installation of industrial development projects, including land, machinery, equipment, or any combination thereof; or

~~(B)~~ (ii) eligible expenditures for an educational facility project described in IC 4-4-10.9-6.2(a)(2);

with the loans to be secured by the pledge of one (1) or more bonds, notes, warrants, or other secured or unsecured debt obligations of the users or developers;

(B) loans from the proceeds of grant anticipation revenue bonds to the charter school facilities aid fund established by IC 20-24-12-4, with the loans to be secured by the pledge of grant revenues awarded to the department of education for the purposes of educational facility projects described in IC 4-4-10.9-6.2(a)(3) that the authority determines is proper under the circumstances; or

(C) loans from the proceeds of the bonds to the charter school facilities revolving loan fund established by IC 20-24-13-4, with the loans to be secured by the credit enhancements, guaranties, or pledge of one (1) or more bonds, notes, warrants, or other secured or unsecured debt obligations of users or developers of an educational facility project described in IC 4-4-10.9-6.2(a)(3) that the authority determines are proper under the circumstances.

(28) Lend or deposit the proceeds of bonds to or with a lender for the purpose of furnishing funds to such lender to be used for making a loan to a developer or user for the financing of industrial development projects under this chapter.

(29) Enter into agreements with users or developers to allow the users or developers, directly or as agents for the authority, to wholly or partially construct industrial development projects to be leased from or to be acquired by the authority.

(30) Establish reserves from the proceeds of the sale of bonds, other funds, or both, in the amount determined to be necessary by the authority to secure the payment of the principal and interest on

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the bonds.

(31) Adopt rules and guidelines governing its activities authorized under the affected statutes.

(32) Use the proceeds of bonds to make guaranteed participating loans.

(33) Purchase, discount, sell, and negotiate, with or without guaranty, notes and other evidences of indebtedness.

(34) Sell and guarantee securities.

(35) Make guaranteed participating loans under IC 4-4-21-26.

(36) Procure insurance to guarantee, insure, coinsure, and reinsure against political and commercial risk of loss, and any other insurance the authority considers necessary, including insurance to secure the payment of principal and interest on notes or other obligations of the authority.

(37) Provide performance bond guarantees to support eligible export loan transactions, subject to the terms of the affected statutes.

(38) Provide financial counseling services to Indiana exporters.

(39) Accept gifts, grants, or loans from, and enter into contracts or other transactions with, any federal or state agency, municipality, private organization, or other source.

(40) Sell, convey, lease, exchange, transfer, or otherwise dispose of property or any interest in property, wherever the property is located.

(41) Cooperate with other public and private organizations to promote export trade activities in Indiana.

(42) Cooperate with the Indiana economic development corporation in taking any actions necessary for the administration of the agricultural loan and rural development project guarantee fund established by IC 5-28-31.

(43) In cooperation with the Indiana economic development corporation, take assignments of notes and mortgages and security agreements securing notes and other forms of security, and attach, seize, or take title by foreclosure or conveyance to any agricultural enterprise or rural development project when a guaranteed loan to the enterprise or rural development project is clearly in default and when in the opinion of the Indiana economic development corporation the acquisition is necessary to safeguard the agricultural loan and rural development project guarantee fund, and sell, or on a temporary basis, lease or rent the agricultural enterprise or rural development project for any use.

(44) Expend money provided to the authority by the Indiana

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economic development corporation from the agricultural loan and rural development project guarantee fund created by IC 5-28-31, subject to the terms of any agreement with the Indiana economic development corporation governing the expenditure of that money.

(45) Reimburse from bond proceeds expenditures for industrial development projects under this chapter.

(46) Acquire, hold, use, and dispose of the authority's income, revenues, funds, and money.

(47) Purchase, acquire, or hold debt securities or other investments for the authority's own account at prices and in a manner the authority considers advisable, and sell or otherwise dispose of those securities or investments at prices without relation to cost and in a manner the authority considers advisable.

(48) Fix and establish terms and provisions with respect to:

(A) a purchase of securities by the authority, including dates and maturities of the securities;

(B) redemption or payment before maturity; and

(C) any other matters that in connection with the purchase are necessary, desirable, or advisable in the judgment of the authority.

(49) To the extent permitted under the authority's contracts with the holders of bonds or notes, amend, modify, and supplement any provision or term of:

(A) a bond, a note, or any other obligation of the authority; or

(B) any agreement or contract of any kind to which the authority is a party.

(50) Subject to the authority's investment policy, do any act and enter into any agreement pertaining to a swap agreement (as defined in IC 8-9.5-9-4) related to the purposes of the affected statutes in accordance with IC 8-9.5-9-5 and IC 8-9.5-9-7, whether the action is incidental to the issuance, carrying, or securing of bonds or otherwise.

(51) Do any act necessary or convenient to the exercise of the powers granted by the affected statutes, or reasonably implied from those statutes, including but not limited to compliance with requirements of federal law imposed from time to time for the issuance of bonds.

(b) The authority's powers under this chapter shall be interpreted broadly to effectuate the purposes of this chapter and may not be construed as a limitation of powers. The omission of a power from the list in subsection (a) does not imply that the authority lacks that power.

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The authority may exercise any power that is not listed in subsection (a) but is consistent with the powers listed in subsection (a) to the extent that the power is not expressly denied by the Constitution of the State of Indiana or by another statute.

(c) This chapter does not authorize the financing of industrial development projects for a developer unless any written agreement that may exist between the developer and the user at the time of the bond resolution is fully disclosed to and approved by the authority.

(d) The authority shall work with and assist the Indiana housing and community development authority established by IC 5-20-1-3, the ports of Indiana established under IC 8-10-1-3, and the state fair commission established by IC 15-13-2-1 in the issuance of bonds, notes, or other indebtedness. The Indiana housing and community development authority, the ports of Indiana, and the state fair commission shall work with and cooperate with the authority in connection with the issuance of bonds, notes, or other indebtedness."

Page 4, between lines 28 and 29, begin a new paragraph and insert:

"SECTION 4. IC 20-24-1-6.2 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6.2. "Fund", for purposes of:**

- (1) IC 20-24-12, refers to the charter school facilities aid fund; and**
- (2) IC 20-24-13, refers to the charter school facilities revolving loan fund.**

SECTION 5. IC 20-24-1-6.3 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6.3. "Grant", for purposes of IC 20-24-12, refers to a grant awarded under IC 20-24-12.**

SECTION 6. IC 20-24-1-6.4 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6.4. "Loan", for purposes of IC 20-24-13, refers to a loan made under IC 20-24-13.**

SECTION 7. IC 20-24-1-7.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7.5. "Program", for purposes of:**

- (1) IC 20-24-12, refers to a charter school per pupil facilities aid program under IC 20-24-12; and**
- (2) IC 20-24-13, refers to the charter school per pupil facilities revolving loan program."**

Page 4, line 33, after "body" insert ".".

Page 4, line 33, delete "that used its sponsorship authority under".

Page 4, delete line 34.

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- Page 4, line 36, delete "associate or".
- Page 4, line 40, delete ";" and insert ".".
- Page 4, delete line 41.
- Page 5, line 1, after "A" insert "**nonproprietary**".
- Page 5, line 1, delete "charter" and insert "**state**".
- Page 5, line 5, delete ""Underutilized"" and insert ""**Unused**"".
- Page 5, line 6, delete "fifty percent (50%)" and insert "**twenty-five percent (25%)**".
- Page 5, line 7, delete "." and insert "**and for which no offer to purchase has been executed.**".
- Page 5, line 20, delete "advisory".
- Page 6, line 5, delete "and".
- Page 6, line 7, after "IC 20-24-3-9;" insert "**and (C) monitor charter schools sponsored by the charter board; and**".
- Page 6, line 9, delete "and".
- Page 6, delete lines 10 through 11.
- Page 6, line 20, delete "Approval,".
- Page 6, line 20, after "Monitoring" delete ",".
- Page 6, delete lines 22 through 42.
- Page 7, line 1, delete "3. (a)" and insert "**1.**".
- Page 7, line 1, delete "charter" and insert "**state**".
- Page 7, line 3, delete "charter" and insert "**state**".
- Page 7, delete lines 11 through 12.
- Page 7, line 13, delete "4." and insert "**2.**".
- Page 7, line 13, delete "ten (10)" and insert "**thirty (30)**".
- Page 7, line 13, delete "charter" and insert "**state**".
- Page 7, line 15, delete "charter" and insert "**state**".
- Page 7, line 15, delete "graded" and insert "**placed in either of the two (2) lowest categories or designations**".
- Page 7, line 16, delete "as a "D" or an "F" school".
- Page 7, line 17, delete ", if" and insert "**and**".
- Page 7, line 19, delete "charter" and insert "**state**".
- Page 7, line 19, delete "may:" and insert "**shall:**".
- Page 7, line 20, delete "temporarily suspend the authority of the sponsor to" and insert "**require the submission, approval, and implementation of a school turnaround plan for the school identified in subsection (a);**".
- Page 7, delete lines 21 through 23.
- Page 7, line 25, delete "another sponsor that agrees to accept the" and insert "**the charter board;**".
- Page 7, delete lines 26 through 28, begin a new line block indented

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and insert:

"(3) order the closure of the school identified in subsection (a) on the date set by the state board; or

(4) order the reduction of any administrative fee collected under IC 20-24-7-4 that is applicable to the school identified in subsection (a) to an amount not greater than fifty percent (50%) of the amount allowed under IC 20-24-7-4;

unless the state board finds sufficient justification for the school's performance under the state school accountability system."

Page 9, delete lines 24 through 26.

Page 9, line 36, after "examination" strike ";".

Page 9, line 36, after "examination;" insert "**and**".

Page 10, delete line 42.

Page 11, delete lines 1 through 17, begin a new paragraph and insert:

"SECTION 11. IC 20-24-5-1, AS ADDED BY P.L.1-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 1. ~~Except as provided in this chapter,~~ A charter school, ~~that is not a conversion charter school including a conversion charter school,~~ must be open to any student who resides in Indiana.

SECTION 12. IC 20-24-5-5, AS ADDED BY P.L.1-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 5. (a) Except as provided in subsections (b), (c), and (d), a charter school must enroll any eligible student who submits a timely application for enrollment.

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

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

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

(2) allow the siblings of a student who attends a charter school to attend the charter school; **and**

(3) allow students who have been displaced due to the closing of another charter school to attend the charter school.

(d) This subsection applies to an existing school that converts to a charter school under IC 20-24-11. During the school year in which the existing school converts to a charter school, the charter school may

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limit admission to:

- (1) those students who were enrolled in the charter school on the date of the conversion; and
- (2) siblings of students described in subdivision (1).

SECTION 13. IC 20-24-5-4, AS ADDED BY P.L.1-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 4. (a) Except as provided in this chapter, a charter school may not establish admission policies or limit student admissions in any manner in which a public school is not permitted to establish admission policies or limit student admissions.

(b) **Notwithstanding subsection (a), a charter school may operate as a single gender school if approved to do so by the sponsor. A single gender charter school must be open to any student of the gender the school serves who resides in Indiana.**"

Page 12, line 29, delete ", separately totaled by school corporation" and insert "**and either:**

- (i) **are enrolled in kindergarten or grade 1 through 8; or**
- (ii) **qualify as a child with a disability (as defined in IC 20-35-1-2) and are enrolled in grade 9 through 12; separately totaled by school corporation and charter school.**"

Page 12, delete line 30.

Page 14, line 11, after "(a)" insert "**This section applies to a distribution to a charter school from the transportation fund levy of a school corporation that does not elect to provide transportation to the students who:**

- (1) **have legal settlement in the school corporation; and**
- (2) **are enrolled in the charter school.**

(b)".

Page 14, line 14, delete "(b) At the same time that a county auditor makes a distribution" and insert "**(c) The county auditor shall**".

Page 14, delete lines 15 through 16.

Page 14, line 18, after "IC 20-46-4-6" insert "**, including any part of the levy imposed under IC 20-46-4-10,**".

Page 14, delete lines 19 through 20.

Page 14, line 21, delete "." and insert "**for the purposes of the charter school in the same manner and at the same time as other property taxes are distributed.**

(d) **The amount to be distributed to a charter school under subsection (c) is equal to the total amount to be distributed from the levies described in subsection (c) multiplied by a fraction. The numerator of the fraction is the number of students with legal**

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settlement in the school corporation imposing the levy that are included in the current ADM of the charter school, as determined under section 2(c)(1) of this chapter. The denominator is the total number of students determined for the school corporation under section 2(c)(4) of this chapter."

Page 14, delete lines 22 through 29.

Page 15, line 26, delete "or underutilized".

Page 15, line 28, delete "and".

Page 15, line 29, delete "underutilized".

Page 15, line 31, delete "and".

Page 15, line 32, delete "underutilized".

Page 15, line 33, delete "or underutilized".

Page 15, line 39, delete "or".

Page 15, line 40, delete "underutilized".

Page 16, line 1, delete "underutilized" and insert "unused".

Page 16, line 2, delete "The".

Page 16, delete lines 3 through 6.

Page 16, line 7, delete "default under the lease."

Page 16, line 11, delete "If a".

Page 16, delete lines 12 through 15.

Page 16, line 18, delete "and" and insert **"maintenance, and repairs"**.

Page 16, line 19, delete "property taxes".

Page 16, line 20, after "school." insert **"If the charter school fails to apply for a property tax exemption, a lien does not attach to the property."**

Page 16, between lines 41 and 42, begin a new paragraph and insert:

"(h) If a charter school discontinues the charter school's use of a school facility, the charter school shall offer to sell the school facility back to the school corporation from which the school facility was purchased at the original purchase price."

Page 17, line 11, delete "." and insert **"for each sponsored school."**

Page 17, line 13, delete "." and insert **"for each sponsored school."**

Page 18, line 3, delete "either" and insert **"any"**.

Page 18, line 4, reset in roman "apply:".

Page 18, line 4, delete "applies:".

Page 18, line 5, reset in roman "(1) At least".

Page 18, line 5, after "(60%)" insert **"fifty-one percent (51%)"**.

Page 18, line 5, reset in roman "of the teachers at the school have".

Page 18, reset in roman line 6.

Page 18, line 6, delete "." and insert **"and the school has been placed in either of the two (2) highest categories or designations"**

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under IC 20-31-8-3 for two (2) consecutive years."

Page 18, line 7, delete "(1)" and insert "(2)".

Page 18, line 11, delete "(2)" and insert "(3)".

Page 18, line 13, after "school." insert **"The petition must be completed not later than ninety (90) days after the date of the first signature."**

Page 18, line 14, delete "If" and insert **"Notwithstanding"**.

Page 18, line 14, delete "(a)(1) applies, the" and insert **"(a)(2), if a"**.

Page 18, line 14, delete "must form a" and insert **"operates a school that receives either of the two (2) lowest designations under IC 20-31-8-3 for four (4) consecutive years, the governing body may not serve as a charter school's sponsor."**

Page 18, delete lines 15 through 19.

Page 18, line 20, delete "(a)(2)" and insert "(a)(3)".

Page 18, line 20, after "submit" delete "a" and insert **"the petition to the governing body and the state board. If the petition has been approved by the state board,"**.

Page 18, delete line 21.

Page 18, line 22, delete "approved,".

Page 18, between lines 23 and 24, begin a new paragraph and insert:

"(d) After a governing body receives a petition under subsection (c), the governing body may not change the enrollment boundaries for the school that is the subject of the petition for at least one (1) year, unless the petition is rejected by the state board."

Page 18, line 24, delete "(d)" and insert "(e)".

Page 18, between lines 27 and 28, begin a new paragraph and insert:

"(f) After a conversion charter school has been in operation for at least five (5) years, the school may be returned to traditional school status if any of the following conditions apply:

- (1) At least fifty-one percent (51%) of the teachers at the school have signed a petition requesting the change in status.**
- (2) The governing body votes to change the status.**
- (3) A petition requesting the change in status is signed by the parents of at least fifty-one percent (51%) of the students at the school. The petition must be completed not later than ninety (90) days after the date of the first signature.**

A petition under subdivision (1) or (3) must be submitted to the governing body and the state board.

SECTION 26. IC 20-24-12 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 12. Charter School Facilities Aid Program



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Sec. 1. The charter school facilities aid program is established.

Sec. 2. The purpose of the program is to award grants to charter schools to assist charter schools in financing:

- (1) charter school building projects;**
- (2) general improvements to charter school buildings; and**
- (3) repayment of debt for charter school building projects.**

Sec. 3. The department shall administer the program.

Sec. 4. (a) The charter school facilities aid fund is established. The department shall administer the fund.

(b) The fund consists of the following:

- (1) Money appropriated by the general assembly.**
- (2) Any gifts and grants made to the fund or other money required by law to be deposited in the fund.**
- (3) Any federal grants that are received to capitalize or supplement the fund.**
- (4) The proceeds of grant anticipation revenue bonds issued by the Indiana finance authority under IC 4-4.**
- (5) Any earnings on money in the fund.**

(c) The expenses of administering the fund shall be paid from money in the fund.

(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

(e) The fund shall be used by the department to make grants under this chapter for the purposes described in section 2 of this chapter.

(f) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

Sec. 5. The department may apply to the United States Department of Education for a state charter school facilities incentive program grant authorized under 34 U.S.C. 7221d(b). The department shall use the proceeds of any state charter school facilities incentive program grant awarded to the state for purposes of the program. To the extent permitted by federal law, the proceeds may be used to pay the administrative expenses of the program.

Sec. 6. The department may authorize money in the fund to be used to repay grant anticipation revenue bonds or other bonds issued by the Indiana bond bank under IC 5-1.5 for purposes of the program.

Sec. 7. (a) The department shall establish written procedures for providing grants to charter schools for the purposes described in

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section 2 of this chapter. The written procedures must include at least the following:

- (1) An application procedure.
- (2) A procedure to identify projects that may qualify for a grant.
- (3) Criteria for establishing the priority of projects for which grants will be made.
- (4) Procedures for selecting projects for which grants will be made.

(b) To apply for a grant from the fund, a school corporation must submit an application that contains at least the following information:

- (1) A description of the proposed building project, general improvement, or debt.
- (2) An estimate of the cost of the proposed building project, general improvement, or debt.
- (3) Any other information required by the department in accordance with the written procedures established under this section.

Sec. 8. The department may award grants on the terms and conditions specified in an agreement between the department and the recipient charter school.

Sec. 9. The department may award grants under this chapter on a per student basis.

SECTION 27. IC 20-24-13 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 13. Charter School Facilities Revolving Loan Program

Sec. 1. The charter school facilities revolving loan program is established.

Sec. 2. The purpose of the program is to make loans to charter schools for the purpose of:

- (1) constructing;
- (2) purchasing;
- (3) renovating; and
- (4) maintaining;

charter school facilities.

Sec. 3. The department shall administer the program.

Sec. 4. (a) The charter school facilities revolving loan fund is established. The department shall administer the fund.

(b) The fund consists of the following:

- (1) Money appropriated by the general assembly.

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(2) The repayment proceeds of loans made to charter schools from the fund.

(3) Any gifts and grants made to the fund or other money required by law to be deposited in the fund.

(4) Any federal grants that are received to capitalize or supplement the fund.

(5) The proceeds of grant anticipation revenue bonds or other bonds issued by the Indiana finance authority under IC 4-4.

(6) Any earnings on money in the fund.

(c) The expenses of administering the fund shall be paid from money in the fund.

(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

(e) The fund shall be used by the department as a revolving fund for the purposes described in section 2 of this chapter.

(f) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

Sec. 5. The department may authorize money in the fund to be used to repay grant anticipation revenue bonds or other bonds issued by the Indiana bond bank under IC 5-1.5 for purposes of the program.

Sec. 6. Subject to the requirements of this chapter, the department may loan money from the fund to a charter school to carry out the purposes described in section 2 of this chapter.

Sec. 7. (a) The department shall establish written procedures for providing loans from the fund to charter schools. The written procedures must include at least the following:

- (1) An application procedure.
- (2) A procedure to identify projects that may qualify for a loan.
- (3) Criteria for establishing the priority of projects for which loans will be made.
- (4) Procedures for selecting projects for which loans will be made.

(b) To apply for a loan from the fund, a school corporation must submit an application that contains at least the following information:

- (1) A description of the proposed construction, purchase, renovation, or maintenance.
- (2) An estimate of the cost of the proposed construction, purchase, renovation, or maintenance.

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(3) Any other information required by the department in accordance with the written procedures established under this section.

Sec. 8. In making its determination to approve or disapprove a loan application, the department may consider the following:

- (1) The soundness of the financial business plans of the applicant charter school.
- (2) The availability to the charter school of other sources of funding.
- (3) The geographic distribution of loans made from the fund.
- (4) The impact that loans received under this chapter will have on the charter school's receipt of other private and public financing.
- (5) Plans for innovatively enhancing or leveraging funds received under this chapter, such as loan guarantees or other types of credit enhancements.
- (6) The financial needs of the charter school.

Sec. 9. The department may make loans under this chapter on a per student basis.

Sec. 10. The following apply to a loan from the fund to a charter school under this chapter:

- (1) A loan may not exceed the maximum amount set by the department.
- (2) The term of the loan may not exceed fifteen (15) years after the date of the loan.
- (3) A charter school may receive multiple loans from the fund as long as the total amount outstanding on all loans granted to the charter school from the fund do not exceed the maximum amount set by the department.
- (4) The department shall determine the interest rate and other terms for the loan.
- (5) A charter school must enter into a loan agreement with the department before receiving a loan from the fund. The loan agreement is a valid, binding, and enforceable agreement between the charter school and the department. The loan agreement must contain the following terms:
 - (A) A requirement that the loan proceeds be used to pay for the proposed construction, purchase, renovation, or maintenance of charter school facilities.
 - (B) The term of the loan.
 - (C) The repayment schedule.
 - (D) The interest rate of the loan.

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(E) Any other terms and provisions that the department requires.

Sec. 11. A charter school receiving a loan under this chapter shall repay the loan from:

- (1) the amount of state tuition support that the charter school is eligible to receive; and
- (2) to the extent that state tuition support is insufficient to meet the debt service obligations of the charter school, other resources available to the charter school.

Sec. 12. The department shall withhold the amount of the debt service obligations due in a year on a loan made under this chapter from state tuition support distributions that would otherwise be made in the year to the charter school. To the extent possible, the department shall withhold an equal amount from each installment of state tuition support distributed to the charter school. Withheld amounts reduce the debt service obligation of the charter school. The auditor of state shall transfer withheld amounts to the fund.

SECTION 28. IC 20-27-9-18 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 18. The governing body of a school corporation may allow a school bus to be used to provide transportation without charge for a charter school student who has legal settlement in the school corporation. The service must provide transportation from the student's residence to the charter school in which the student is enrolled and from the charter school to the student's residence. The limitations in IC 20-27-11-1 do not apply to this section."

Page 19, line 12, delete "Each" and insert "(a) Subject to the levy limit imposed by section 4 of this chapter, each".

Page 19, line 15, after "(2)" insert "subject to subsection (f)".

Page 19, line 15, delete "IC 20-24-7-6(b)." and insert "IC 20-24-7-6."

Page 19, delete lines 16 through 42, begin a new line blocked left and insert:

"The levy imposed under this section is subject to the levy limitations imposed under section 6 of this chapter. The levy may not exceed the levy limit under section 6 of this chapter in order to make the distributions required under IC 20-24-7-6(b).

(b) The governing body of a school corporation may adopt a resolution to elect to provide transportation without charge to all of the students who:

- (1) have legal settlement in the school corporation; and

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(2) are enrolled in a charter school;
instead of providing a distribution of the school corporation's transportation fund levy to the charter school. The resolution must identify the charter schools to which the school corporation will provide transportation. An election adopted under this section remains in effect until a resolution rescinding the election becomes effective.

(c) IC 20-27-9-18 applies to transportation services provided under this section.

(d) The governing body may rescind an election to provide transportation to a charter school by resolution. The resolution must identify the charter schools to which the school corporation will no longer provide transportation.

(e) A copy of a resolution adopted under this section must be certified to the named charter schools, the department, and the county auditor of each county in which the school corporation is located. A resolution adopted under this section initially applies to the school year beginning at least ninety (90) days after the resolution is certified under this subsection.

(f) A charter school is not entitled to a distribution under IC 20-24-7-6 for property taxes first due and payable in a calendar year that begins in a school year in which a school corporation provides transportation to all of the charter school students who have legal settlement in the school corporation.

SECTION 30. IC 20-46-4-10, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 10. (a) A school corporation may appeal to the department of local government finance under IC 6-1.1-19 to increase the maximum levy permitted for the school corporation's fund. To be granted an increase by the department of local government finance, the school corporation must establish that the increase is necessary because of a transportation operating cost increase of at least ten percent (10%) over the preceding year as a result of at least one (1) of the following:

- (1) A fuel expense increase.
- (2) A significant increase in the number of students enrolled in the school corporation that need transportation or a significant increase in the mileage traveled by the school corporation's buses compared with the previous year.
- (3) A significant increase in the number of students enrolled in special education who need transportation or a significant increase in the mileage traveled by the school corporation's buses

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due to students enrolled in special education as compared with the previous year.

(4) Increased transportation operating costs due to compliance with a court ordered desegregation plan.

(5) The closure of a school building within the school corporation that results in a significant increase in the distances that students must be transported to attend another school building.

In addition, before the department of local government finance may grant a maximum levy increase, the school corporation must establish that the school corporation will be unable to provide transportation services without an increase. The department of local government finance may grant a maximum operating costs levy increase that is less than the increase requested by the school corporation. **The amount of the levy distributed under IC 20-24-7-6(b) may not be considered in determining the amount of the maximum levy increase allowed under this section.**

(b) If the department of local government finance determines that a permanent increase in the maximum permissible levy is necessary, the maximum levy after the increase granted under this section becomes the school corporation's maximum permissible levy under this chapter."

Page 20, delete lines 1 through 26.

Page 20, line 29, delete "(a)".

Page 20, line 35, delete "(b)".

Page 20, run in lines 34 through 35.

Page 20, delete lines 40 through 42.

Page 21, delete lines 1 through 10, begin a new paragraph and insert:

"SECTION 28. IC 20-49-7-15, AS ADDED BY P.L.2-2006, SECTION 172, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 15. To ensure timely payment of an advance according to the terms of the advance, the state may withhold from funds due to the charter school to which the advance is made an amount necessary to pay the advance ~~and the interest~~ on the advance.

SECTION 29. IC 20-49-7-21, AS ADDED BY P.L.182-2009(ss), SECTION 363, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 21. (a) A charter school, including a conversion charter school, that has received an advance for operational costs from the common school fund under this chapter does not have to make principal or interest payments during the state fiscal years beginning:

(1) July 1, 2009; and

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(2) July 1, 2010;
notwithstanding contrary terms in the charter school and state board advance agreement.

(b) The repayment term of the advance shall be extended by two (2) years to provide for the waiver described in subsection (a) even though it may make the repayment term for the advance longer than twenty (20) years.

(c) The repayment term of the advance shall be extended by an additional two (2) years to provide for the waiver described in subsection (a) of the principal even though it may make the repayment term for the advance longer than twenty (20) years."

Page 21, line 14, delete "IC 20-24-6-3;" and insert "IC 20-24-5-2; IC 20-24-5-3; IC 20-24-5-4; IC 20-24-5-5;"

Page 21, line 15, delete "IC 20-24-6-4;"

Page 21, line 21, delete "if the charter".

Page 21, line 22, delete "school board agrees to sponsor the virtual charter school,"

Page 21, line 22, after "unless" insert "**the virtual charter school obtains another sponsor.**"

Page 21, delete lines 23 through 24.

Page 21, line 29, delete "Ball State University." and insert "**another sponsor.**"

Re-number all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1002 as introduced and as amended by AM100201 and AM100204 as adopted by the Committee on Education on January 19, 2011.)

BEHNING, Chair

Committee Vote: yeas 8, nays 5.

HOUSE MOTION

Mr. Speaker: I move that House Bill 1002 be amended to read as follows:

Page 13, line 31, delete "twenty-five percent (25%)" and insert "**ten percent (10%)**".

Page 13, line 33, before "student" insert "**direct**".

Page 14, line 4, after "member" insert "**who has previous experience with or on behalf of charter schools**".

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Page 14, line 40, delete "hire" and insert **"provide"**.

Page 15, line 17, delete "may" and insert **"shall"**.

Page 15, line 23, delete "shall:" and insert **"shall implement one (1) or more of the actions listed in subdivisions (1) through (4):"**.

Page 16, between lines 28 and 29, begin a new line double block indented and insert:

"(T) Any other applications submitted to a sponsor in the previous five (5) years."

Page 18, line 13, delete "body" and insert **"board"**.

Page 19, delete lines 2 through 5.

Page 19, delete lines 11 through 36.

Page 20, line 11, after "employees" insert **"of the charter school or"**.

Page 21, line 42, after "school" insert **"sponsored by the executive"**.

Page 22, line 7, after "school" insert **"sponsored by the private college or university"**.

Page 22, line 12, after "school" insert **"sponsored by the charter board"**.

Page 23, line 7, delete "school." and insert **"school that is located in the same county in which the school corporation is located."**

Page 24, line 24, after "site." insert **"A school corporation shall annually report to the department each unused facility owned by the school corporation. If, at the time a facility first becomes unused, the school corporation has a plan to reuse the facility within a twelve (12) month period, the school corporation is not required to include the facility in the annual report to the department. However, a school corporation may exclude an unused facility from the school corporation's annual report only one (1) time."**

Page 24, line 32, delete "year." and insert **"year for a term of ten (10) years. The charter school may renew the lease for one (1) additional ten (10) year term."**

Page 25, line 4, after "maintenance," insert **"property taxes,"**

Page 25, line 13, delete "A school corporation may not refuse an offer".

Page 25, delete lines 14 through 15.

Page 25, line 17, delete "facility. If a facility" and insert **"facility for a price negotiated with the school corporation."**

Page 25, delete line 18.

Page 25, line 19, delete "corporation for one dollar (\$1)."

Page 25, delete lines 25 through 32.

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Page 27, line 16, delete "has been" and insert "is".

Page 27, line 31, delete "status." and insert "**status and the school has been placed in either of the two (2) highest categories or designations under IC 20-31-8-3 for two (2) consecutive years.**".

Page 27, line 32, delete "status." and insert "**status, if the governing body serves as the school's sponsor.**".

Page 27, line 38, after "board." insert "**The petition must be approved by the state board for the change in status to become effective.**".

Page 28, line 5, delete "and".

Page 28, line 6, delete "projects." and insert "**projects; and (4) leasehold improvements, rents, or leases.**".

Page 28, line 39, delete "bond bank under IC 5-1.5" and insert "**finance authority under IC 4-4**".

Page 29, line 4, delete "A procedure to identify projects that may qualify for a" and insert "**An explanation of the grant process.**".

Page 29, delete line 5.

Page 29, line 6, delete "Criteria for establishing the priority of projects for which" and insert "**Allowable grant expenditures.**".

Page 29, delete lines 7 through 9.

Page 29, line 10, after "fund, a" insert "**charter**".

Page 29, line 10, delete "corporation".

Page 30, line 21, delete "bond bank under IC 5-1.5" and insert "**finance authority under IC 4-4**".

Page 30, line 36, after "fund, a" insert "**charter**".

Page 30, line 36, delete "corporation".

Page 32, between lines 2 and 3, begin a new line double block indented and insert:

"(F) That the loan is to be secured by the credit enhancements, guaranties, or pledge of one (1) or more bonds, notes, warrants, or other secured or unsecured debt obligations of the charter school."

Page 32, line 20, delete "The governing body of a" and insert "**Instead of a distribution under IC 20-24-7-6, a school corporation and a charter school may enter into a school transportation plan to provide transportation without charge for a charter school student who has legal settlement in the school corporation and attends a charter school located in the same county in which the school corporation is located.**".

Page 32, delete lines 21 through 27.

Page 33, line 22, delete "The governing body of a school corporation may adopt a" and insert "**Instead of a distribution under**

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IC 20-24-7-6, a school corporation and a charter school may enter into a school transportation plan to provide transportation without charge for a charter school student who has legal settlement in the school corporation and attends a charter school located in the same county in which the school corporation is located."

Page 33, delete lines 23 through 32.

Page 36, line 4, delete "IC 20-24-5-4; IC 20-24-5-5;" and insert "IC 20-24-6-4;"

Renumber all SECTIONS consecutively.

(Reference is to HB 1002 as printed January 26, 2011.)

BOSMA

HOUSE MOTION

Mr. Speaker: I move that House Bill 1002 be amended to read as follows:

Page 19, line 20, after "admission." insert "**The organizer must determine which of the applicants will be admitted to the charter school or the program, class, grade level, or building by random drawing in a public meeting.**"

(Reference is to HB 1002 as printed January 26, 2011.)

PORTER

HOUSE MOTION

Mr. Speaker: I move that House Bill 1002 be amended to read as follows:

Page 18, line 12, delete "stability;" and insert "**stability, including a certification that the charter school has directed to the classroom not less than sixty percent (60%) of state revenues received by the charter school;**"

(Reference is to HB 1002 as printed January 26, 2011.)

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1002 be amended to read as follows:

Page 27, line 23, after "shall" insert "**continue to comply with all legal requirements concerning student diversity and treatment of children with special needs and**".

(Reference is to HB 1002 as printed January 26, 2011.)

DELANEY

HOUSE MOTION

Mr. Speaker: I move that House Bill 1002 be amended to read as follows:

Page 2, line 21, delete "to fund a judgment, a settlement, or".
Page 2, line 22, delete "other cost or liability,".

(Reference is to HB 1002 as printed January 26, 2011.)

DELANEY

HOUSE MOTION

Mr. Speaker: I move that House Bill 1002 be amended to read as follows:

Page 32, between lines 27 and 28, begin a new paragraph and insert:
"SECTION 33. IC 20-28-8-13 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: **Sec. 13. Whenever a governing body determines that a severance payment is appropriate for an individual to whom this chapter applies, the amount of state funding used in the severance payment may not exceed an amount equal to one (1) year's salary for the individual.**"

Re-number all SECTIONS consecutively.

(Reference is to HB 1002 as printed January 26, 2011.)

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1002 be amended to read as follows:

Page 19, between lines 36 and 37, begin a new paragraph and insert:

"(e) Not later than ten (10) days after a charter school expels or otherwise separates a student from active enrollment, the charter school shall conduct a conference concerning the reasons for the expulsion or separation with the student's parents, appropriate personnel from the school corporation in which the student enrolls following the expulsion or separation, and the appropriate education personnel from the charter school."

(Reference is to HB 1002 as printed January 26, 2011.)

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1002 be amended to read as follows:

Page 23, between lines 24 and 25, begin a new paragraph and insert:

"(e) Money received by a charter school under this section may be used only to pay the costs attributable to transportation (as defined in IC 20-40-6-1) of students who:

- (1) are enrolled in the charter school; and**
- (2) have legal settlement in the school corporation that levied the amount distributed to the charter school."**

(Reference is to HB 1002 as printed January 26, 2011.)

VANDENBURGH

HOUSE MOTION

Mr. Speaker: I move that House Bill 1002 be amended to read as follows:

Page 15, between lines 36 and 37, begin a new paragraph and insert:

"Sec. 3. The department shall establish a charter school page on the department's web site that includes information on the following:

- (1) All approved sponsors.**



- (2) All pending applications for a charter.
- (3) All approved applications for a charter.
- (4) All rejected applications for a charter.
- (5) Annual performance data that includes the same demographic and performance data required from school corporations."

(Reference is to HB 1002 as printed January 26, 2011.)

AUSTIN

HOUSE MOTION

Mr. Speaker: I move that House Bill 1002 be amended to read as follows:

Page 17, between lines 5 and 6, begin a new line block indented and insert:

"(6) The name, address, and chief operating officer of the education management organization, if applicable."

(Reference is to HB 1002 as printed January 26, 2011.)

AUSTIN

COMMITTEE REPORT

Madam President: The Senate Committee on Education and Career Development, to which was referred House Bill No. 1002, 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 11, line 14, after "corporation" insert "**or charter school**".
- Page 13, line 20, reset in roman "IC 36-1-2-5".
- Page 13, line 20, after "IC 36-1-2-5" insert ")".
- Page 13, line 20, delete "IC 36-1-2-5(2) or".
- Page 13, line 21, delete "IC 36-1-2-5(3)".
- Page 13, line 21, delete ":".
- Page 13, line 22, delete "(A)".
- Page 13, line 22, delete "; or" and insert ".".
- Page 13, run in lines 21 through 22.
- Page 13, delete line 23.

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Page 13, line 25, delete "nonproprietary private" and insert **"nonprofit"**.

Page 13, line 25, after "university" insert **"(as defined in IC 21-7-13-23(a))"**.

Page 13, line 25, delete "approved".

Page 13, delete lines 26 through 33.

Page 14, line 6, delete "members" and insert **"members, who may not be legislators,"**.

Page 14, line 7, delete "tem" and insert **"tempore"**.

Page 14, line 41, delete "department shall provide" and insert **"charter board may hire"**.

Page 15, delete lines 7 through 38.

Page 15, line 39, delete "3." and insert **"1."**

Page 15, line 40, after "department's" insert **"Internet"**.

Page 15, line 42, delete "sponsors." and insert **"sponsors, including the sponsors' processes for the following:**

(A) Monitoring approved schools at regular intervals.

(B) Establishing minimum standards for renewing a charter or not renewing a charter.

(C) Procedures for school closure, including the transfer of academic records to other schools and postsecondary educational institutions."

Page 17, between lines 7 and 8, begin a new paragraph and insert:
"SECTION 15. IC 20-24-3-5.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: **Sec. 5.5. This section applies to a sponsor that is not the executive of a consolidated city.**

(b) Before issuing a charter, the sponsor must conduct a public hearing concerning the establishment of the proposed charter school. At the public hearing, the governing body of the school corporation in which the proposed charter school will be located must be given an opportunity to comment on the effect of the proposed charter school on the school corporation, including any foreseen negative impacts on the school corporation."

Page 17, delete lines 20 through 21.

Page 18, line 28, delete "stability, including a" and insert **"stability; and"**.

Page 18, delete lines 29 through 31.

Page 20, line 21, delete "or".

Page 20, line 22, delete "otherwise separates".

Page 21, between lines 8 and 9, begin a new paragraph and insert:
"SECTION 21. IC 20-24-6-5, AS ADDED BY P.L.1-2005,

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SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 5. (a) An individual who teaches **full time** in a charter school must: ~~either:~~

(1) hold a license to teach in a public school in Indiana under IC 20-28-5; ~~or~~

(2) be in the process of obtaining a license to teach in a public school in Indiana under the transition to teaching program established by IC 20-28-4-2; ~~or~~

(3) hold at least a bachelor's degree with a grade point average of at least three (3.0) on a four (4.0) point scale from an accredited postsecondary educational institution in the content or related area in which the individual teaches.

At least seventy-five percent (75%) of a charter school's teachers must hold a license under subdivision (1) or be in the process of obtaining a license under subdivision (2), unless the charter school requests and the state board approves a waiver for a lower percentage.

(b) An individual described in subsection (a)(2) must complete the transition to teaching program not later than three (3) years after beginning to teach at a charter school.

(c) An individual who holds a part-time teaching position in a charter school must hold at least a bachelor's degree with a grade point average of at least three (3.0) on a four (4.0) point scale from an accredited postsecondary educational institution in the content or related area in which the individual teaches.

~~(c)~~ (d) An individual who provides to students in a charter school a service:

(1) that is not teaching; and

(2) for which a license is required under Indiana law;

must have the appropriate license to provide the service in Indiana."

Page 22, line 22, delete "or city".

Page 22, line 27, delete "private" and insert "**nonprofit**".

Page 23, delete lines 24 through 42.

Page 24, delete lines 1 through 14.

Page 25, delete lines 8 through 42.

Page 26, delete lines 1 through 18.

Page 27, line 23, delete "any" and insert "**either**".

Page 27, line 26, after "school" insert "**and fifty-one percent (51%) of the parents of students who attend the school**".

Page 27, line 29, after "years." insert "**The petition must be completed not later than ninety (90) days after the date of the first signature**".

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Page 27, delete lines 34 through 37.

Page 27, line 42, delete "(a)(3)" and insert "(a)(1)".

Page 28, line 17, delete "any" and insert "either".

Page 28, line 19, after "school" insert "**and fifty-one percent (51%) of the parents of students who attend the school**".

Page 28, line 22, after "years." insert "**The petition must be completed not later than ninety (90) days after the date of the first signature.**".

Page 28, delete lines 25 through 28.

Page 28, line 29, delete "or (3)".

Page 33, delete lines 13 through 28, begin a new paragraph and insert:

"SECTION 32. IC 20-26-5-32.2, AS ADDED BY P.L.41-2009, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 32.2. (a) Notwithstanding IC 22-2-5-1, a school corporation **or charter school** and:

- (1) an employee if there is no representative described under subdivision (2) or (3) for that employee;
- (2) the exclusive representative of its certificated employees with respect to those employees; or
- (3) a labor organization representing its noncertificated employees with respect to those employees;

may agree in writing to a wage payment arrangement.

(b) A wage payment arrangement under subsection (a) may provide that compensation earned during a school year may be paid:

- (1) using equal installments or any other method; and
- (2) over:
 - (A) all or part of that school year; or
 - (B) any other period that begins not earlier than the first day of that school year and ends not later than thirteen (13) months after the wage payment arrangement period begins.

Such an arrangement may provide that compensation earned in a calendar year is paid in the next calendar year, so long as all the compensation is paid within the thirteen (13) month period beginning with the first day of the school year.

(c) A wage payment arrangement under subsection (a) must be structured in such a manner so that it is not considered:

- (1) a nonqualified deferred compensation plan for purposes of Section 409A of the Internal Revenue Code; or
- (2) deferred compensation for purposes of Section 457(f) of the Internal Revenue Code.

(d) Absent an agreement under subsection (a), a school corporation

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or charter school remains subject to IC 22-2-5-1.

(e) Wage payments required under a wage payment arrangement entered into under subsection (a) are enforceable under IC 22-2-5-2.

(f) If an employee leaves employment for any reason, either permanently or temporarily, the amount due the employee under IC 22-2-5-1 and IC 22-2-9-2 is the total amount of wages earned and unpaid. **If the employment relationship ends at the conclusion of a school year, the school corporation may pay the employee the remaining wages owed as provided in the written wage payment arrangement.**

(g) Employment with a school corporation **or charter school** may not be conditioned upon the acceptance of a wage payment arrangement under subsection (a).

(h) An employee may revoke a wage payment arrangement under subsection (a) at the beginning of each school year.

SECTION 33. IC 20-26-7-1, AS AMENDED BY P.L.234-2007, SECTION 227, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 1. (a) If a governing body of a school corporation determines that any real or personal property:

- (1) is no longer needed for school purposes; or
- (2) should, in the interests of the school corporation, be exchanged for other property;

the governing body may sell or exchange the property in accordance with IC 36-1-11.

(b) Money derived from the sale or exchange of property under this section shall be placed in any school fund:

- (1) established under applicable law; and
- (2) that the governing body considers appropriate.

(c) A governing body may not make a covenant that prohibits the sale of real property to another educational institution.

(d) This subsection does not apply to a school building that on July 1, 2011, is leased or loaned by the school corporation that owns the school building to another entity. A governing body shall make available for lease or purchase to any charter school (as defined in IC 20-24-1-4) any school building owned by the school corporation that:

- (1) either:**
 - (A) is not used in whole or in part for classroom instruction at the time the charter school seeks to lease the building; or**
 - (B) appears on the list compiled by the department under subsection (e); and**

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(2) was previously used for classroom instruction;
in order for the charter school to conduct classroom instruction.

(e) Each governing body shall inform the department whenever a school building that was previously used for classroom instruction is closed, unused, or unoccupied. The department shall maintain a list of closed, unused, or unoccupied school buildings and make the list available on the department's Internet web site. Each school corporation shall provide a list of closed, unused, or unoccupied buildings to the department by the date set by the department. The department must update the list each year before August 31.

(f) A school building that appears for the first time on the department's list under subsection (e) shall be designated as "Unavailable until (a date two (2) years after the school building first appears on the list)" if the governing body of the school corporation that owns the school building indicates the school building may be reclaimed during that period for classroom instruction, which must begin not later than one (1) year after the school building is reclaimed. If the school building remains unused for classroom instruction one (1) year after being reclaimed, the governing body shall place the school building on the department's list. A governing body may reclaim a school building only one (1) time under this subsection.

(g) If a charter school wishes to use a school building on the list created under subsection (e), the charter school shall send a letter of intent to the department. The department shall notify the school corporation of the charter school's intent, and the school corporation that owns the school building shall lease the school building to the charter school for one dollar (\$1) per year for as long as the charter school uses the school building for classroom instruction or for a term at the charter school's discretion, or sell the school building to the charter school for one dollar (\$1). The charter school must begin to use the school building for classroom instruction not later than two (2) years after acquiring the school building. If the school building is not used for classroom instruction within two (2) years after acquiring the school building, the school building shall be placed on the department's list under subsection (e). If during the term of the lease the charter school closes or ceases using the school building for classroom instruction, the school building shall be placed on the department's list under subsection (e).

(h) During the term of a lease under subsection (g), the charter

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school is responsible for the direct expenses related to the school building leased, including utilities, insurance, maintenance, repairs, and remodeling. The school corporation is responsible for any debt incurred for or liens that attached to the school building before the charter school leased the school building.

(i) If a school building appears on the department's list under subsection (e) for at least forty-eight (48) months, the school corporation may sell or otherwise dispose of the school building in any manner the governing body considers appropriate.

SECTION 34. IC 20-31-9-1, AS ADDED BY P.L.1-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 1. This chapter does not apply to the following:

- (1) A nonpublic school.
- (2) **Except as provided in section 4(c) of this chapter**, a charter school.

SECTION 35. IC 20-31-9-4, AS ADDED BY P.L.1-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 4. (a) This section applies if, in the fifth year after initial placement in the lowest category or designation, a school still remains in the lowest category or designation.

(b) The state board shall do the following:

- (1) Hold at least one (1) public hearing in the school corporation where the school is located to consider and hear testimony concerning the following options for school improvement:
 - (A) Merging the school with a nearby school that is in a higher category.
 - (B) Assigning a special management team to operate all or part of the school.
 - (C) The department's recommendations for improving the school.
 - (D) Other options for school improvement expressed at the public hearing, including closing the school.
 - (E) Revising the school's plan in any of the following areas:
 - (i) Changes in school procedures or operations.
 - (ii) Professional development.
 - (iii) Intervention for individual teachers or administrators.
- (2) If the state board determines that intervention will improve the school, implement at least one (1) of the options listed in subdivision (1).

(c) This subsection applies to charter schools. If a charter school remains in the lowest category or designation in the fifth year after it was initially placed in the lowest category or designation, the

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state board shall order the sponsor to close the charter school, unless the sponsor successfully petitions the state board to continue the charter school's operation."

Page 34, delete lines 11 through 42.

Delete page 35.

Page 36, line 18, after "pay the advance" insert ".".

Page 36, line 18, strike "on the advance."

Page 36, line 26, strike "2009;" and insert "**2011;**".

Page 36, line 27, strike "2010;" and insert "**2012;**".

Page 36, delete lines 34 through 37.

Re-number all SECTIONS consecutively.

and when so amended that said bill do pass and be reassigned to the Senate Committee on Appropriations.

(Reference is to HB 1002 as reprinted February 8, 2011.)

KRUSE, Chairperson

Committee Vote: Yeas 8, Nays 2.

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COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred House Bill No. 1002, 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 1, delete lines 1 through 15.

Delete pages 2 through 8.

Page 9, delete lines 1 through 31.

Page 11, line 21, after "school corporation" insert "**or charter school**".

Page 12, delete lines 34 through 42, begin a new paragraph and insert:

"SECTION 3. IC 20-24-1-6.2 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 6.2. "Fund", for purposes of IC 20-24-12, refers to the charter school facilities assistance fund.**

SECTION 4. IC 20-24-1-7.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 7.5. "Program", for purposes of IC 20-24-12, refers to the charter school facilities assistance program under IC 20-24-12."**

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Page 13, delete lines 1 through 13.

Page 14, line 34, after "The" insert **"department shall provide staff to carry out the duties of the charter board under this chapter until the time when the charter board begins receiving administrative fees pursuant to IC 20-24-7-4(e). At that time, the"**.

Page 15, line 8, delete "Procedures" and insert **"Processes and standards"**.

Page 15, between lines 16 and 17, begin a new paragraph and insert:

"Sec. 2. The minimum standards for renewal and the standards to avoid closure imposed by sponsors on the charter school in the charter school agreement must include a requirement that the charter school not fall within the application of IC 20-31-9-4, notwithstanding IC 20-31-9-1.

Sec. 3. (a) After giving at least thirty (30) days notice, the state board may require a sponsor to appear at a hearing conducted by the state board if the sponsor has renewed a charter or failed to close a charter school that does not meet the minimum standards in the charter agreement, as posed on the department's Internet web site.

(b) After the hearing, the state board may implement one (1) or more of the following actions unless the state board finds sufficient justification for the charter school's performance under the state school accountability system:

- (1) Transfer the sponsorship of the charter school identified in subsection (a) to the charter board.**
- (2) Order the closure of the charter school identified in subsection (a) on the date set by the state board.**
- (3) Order the reduction of any administrative fee collected under IC 20-24-7-4 that is applicable to the charter school identified in subsection (a) to an amount not greater than fifty percent (50%) of the amount allowed under IC 20-24-7-4.**

(c) In determining whether to impose consequences under subsection (b), the state board must consider the following:

- (1) Enrollment of students with special challenges such as drug or alcohol addiction, prior withdrawal from school, prior incarceration, or other special circumstances.**
- (2) High mobility of the student population resulting from the specific purpose of the charter school.**
- (3) Annual improvement in the performance of students enrolled in the charter school, as measured by IC 20-31-8-1, compared with the performance of students enrolled in the charter school in the immediately preceding school year.**

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Sec. 4. If at least twenty-five percent (25%) of the charter schools chartered by one (1) sponsor have incurred actions under section 3 of this chapter, the sponsor's authority to sponsor new charter schools may be suspended by the state board until the state board approves the sponsor to sponsor new charter schools."

Page 21, delete lines 14 through 42.

Page 22, delete lines 1 through 12.

Page 23, between lines 28 and 29, begin a new paragraph and insert:
 "SECTION 18. IC 20-24-7-11, AS AMENDED BY P.L.182-2009(ss), SECTION 314, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 11. (a) If the United States Department of Education approves a new competition for states to receive matching funds for charter school facilities, the department shall pursue this federal funding.

~~(b) The department shall use the common school fund interest balance to provide state matching funds for the federal funding described in subsection (a) for the benefit of charter schools.~~

~~(c)~~ **(b)** To increase the state's opportunity to receive matching funds from the United States Department of Education, the department shall develop a facilities incentive grants program before January 1, 2010.

~~(d)~~ **(c)** The department shall use the priority criteria set forth in 21 U.S.C. 7221d(b) and 34 CFR 226.12 through 34 CFR 226.14 to develop the facilities incentive grants program."

Page 24, delete lines 11 through 16, begin a new paragraph and insert:

"(c) A virtual charter school is entitled to receive funding from the state in an amount equal to the **sum of:**

(1) the product of:

~~(1)~~ **(A)** the number of students included in the virtual charter school's ADM; who are participating in the pilot program; multiplied by

~~(2) eighty~~ **(B) eighty-five percent (85%)** of the statewide average basic tuition support; ~~school's foundation amount determined under IC 20-43-5-4; plus~~

(2) the total of any special education grants under IC 20-43-7 to which the virtual charter school is entitled.

A virtual charter school is entitled to receive special education grants under IC 20-43-7 calculated in the same manner as special education grants are calculated for other school corporations."

Page 24, between lines 21 and 22, begin a new paragraph and insert:

"(f) Each school year, at least seventy-five percent (75%) of the students who are enrolled in virtual charter schools under this

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section for the first time must have been included in the state's ADM count for the previous school year."

Page 26, delete lines 33 through 42.

Delete page 27.

Page 28, delete lines 1 through 16.

Page 28, line 17, delete "IC 20-24-13" and insert "IC 20-24-12".

Page 28, line 20, delete "13." and insert "12."

Page 28, line 20, delete "Revolving Loan" and insert "Assistance".

Page 28, line 21, delete "revolving loan" and insert "assistance".

Page 28, line 23, after "make" insert "grants and".

Page 28, line 27, delete "and".

Page 28, between lines 28 and 29, begin a new line block indented and insert:

"(5) paying first semester costs for new; and

(6) reducing common school fund debt for;"

Page 28, line 29, delete "school facilities." and insert "schools".

Page 28, line 31, delete "revolving loan" and insert "assistance".

Page 28, line 34, after "appropriated" insert "or authorized".

Page 28, delete lines 41 through 42.

Page 29, line 1, delete "(6)" and insert "(5)".

Page 29, line 7, delete "shall" and insert "may".

Page 29, delete lines 11 through 17, begin a new paragraph and insert:

"Sec. 5. The department may apply to the United States Department of Education for a state charter school facilities incentive program grant authorized under 34 U.S.C. 7221d(b). The department shall use the proceeds of any state charter school facilities incentive program grant awarded to the state for purposes of the program. To the extent permitted by federal law, the proceeds may be used to pay the administrative expenses of the program.

Sec. 6. The department may authorize money in the fund to be used for any of the following purposes:

(1) To pay first semester costs for charter schools first opening after June 30, 2011.

(2) To repay advances and loans to charter schools made before June 30, 2011.

(3) To match federal grants described in IC 20-24-7-11(a).

(4) To loan or grant money from the fund to a charter school to carry out the purposes described in section 2 of this chapter."

Page 29, line 19, after "providing" insert "grants or".

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Page 29, line 22, after "for a" insert "**grant or**".
Page 29, line 24, after "which" insert "**grants or**".
Page 29, line 26, after "which" insert "**grants or**".
Page 29, line 28, after "for a" insert "**grant or**".
Page 29, line 29, delete "at least the following" and insert "**the information required by the department.**".
Page 29, delete lines 30 through 37.
Page 29, line 38, after "a" insert "**grant or**".
Page 30, line 2, after "of" insert "**grants or**".
Page 30, line 3, after "that" insert "**grants or**".
Page 30, line 10, after "make" insert "**grants or**".
Page 30, line 23, after "loan" delete "." and insert ", **subject to the approval of the state board of finance.**".
Page 30, line 25, delete "The loan".
Page 30, delete lines 26 through 40.
Page 31, line 6, delete "debt" and insert "**balance of the loan**".
Page 31, line 7, delete "service obligations".
Page 31, line 12, delete "debt service obligation" and insert "**balance of the loan**".
Page 32, line 9, after "corporation" insert "**or charter school**".
Page 34, delete lines 11 through 42.
Page 35, delete lines 1 through 4.
Page 35, delete lines 29 through 42.
Page 36, delete lines 1 through 4.
Page 36, delete lines 20 through 21.
Re-number all SECTIONS consecutively.
and when so amended that said bill do pass.
(Reference is to EHB 1002 as printed March 18, 2011.)

KENLEY, Chairperson

Committee Vote: Yeas 8, Nays 2.

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SENATE MOTION

Madam President: I move that Engrossed House Bill 1002 be amended to read as follows:

Page 16, line 29, after "(f)" insert "**This subsection does not apply to students who were enrolled in a virtual charter school during the 2010-2011 school year.**".

(Reference is to EHB 1002 as printed March 25, 2011.)

KRUSE



SENATE MOTION

Madam President: I move that Engrossed House Bill 1002 be amended to read as follows:

Page 17, line 39, delete "fifty-one percent (51%)".

Page 17, line 39, strike "of the".

Page 17, line 40, strike "teachers at the school".

Page 17, line 40, delete "and".

Page 18, line 31, delete "fifty-one percent (51%) of the teachers at the".

Page 18, line 32, delete "school and".

(Reference is to EHB 1002 as printed March 25, 2011.)

YODER



SENATE MOTION

Madam President: I move that Engrossed House Bill 1002 be amended to read as follows:

Page 16, line 29, delete "seventy-five percent (75%)" and insert "**sixty percent (60%)**".

(Reference is to EHB 1002 as printed March 25, 2011.)

KENLEY

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SENATE MOTION

Madam President: I move that Engrossed House Bill 1002 be amended to read as follows:

Page 18, line 1, delete "highest" and insert "**lowest**".

Page 18, line 34, delete "status and the school has been placed in either of" and insert "**status.**".

Page 18, delete line 35.

Page 18, line 36, delete "IC 20-31-8-3 for two (2) consecutive years.".

(Reference is to EHB 1002 as printed March 25, 2011.)

KRUSE

SENATE MOTION

Madam President: I move that Engrossed House Bill 1002 be amended to read as follows:

Page 9, between lines 23 and 24, begin a new line block indented and insert:

"(6) The name and address of the education management organization, and the name of the chief operating officer of the education management organization, if applicable."

(Reference is to EHB 1002 as printed March 25, 2011.)

ARNOLD

SENATE MOTION

Madam President: I move that Engrossed House Bill 1002 be amended to read as follows:

Page 17, line 42, delete "conversion and the school has been" and insert "conversion.".

Page 18, delete lines 1 through 2.

Page 18, line 5, delete "The governing body votes to convert a school to a charter" and insert "**The school has been placed in either of the two (2) lowest categories or designations under IC 20-31-8-3 for two (2) consecutive years.**".

Page 18, delete line 6.

Page 18, delete lines 9 through 21.

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Page 18, line 22, delete "(e)" and insert "**(b)**".

Page 18, line 30, delete "either of the following conditions apply:".

Page 18, line 31, delete "(1) At" and insert "**at**".

Page 18, run in lines 30 through 31.

Page 18, line 34, delete "status and the school has been placed in either of" and insert "**status.**".

Page 18, delete line 35.

Page 18, line 36, delete "IC 20-31-8-3 for two (2) consecutive years.".

Page 18, delete lines 39 through 42.

Page 19, delete line 1.

Page 25, line 30, delete "IC 20-24-6-9; IC 20-24-11-2;" and insert "IC 20-24-6-9.".

Page 25, delete line 31.

(Reference is to EHB 1002 as printed March 25, 2011.)

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SENATE MOTION

Madam President: I move that Engrossed House Bill 1002 be amended to read as follows:

Page 13, line 17, delete "hold at least a bachelor's degree with a grade point" and insert "**be in the process of obtaining a license to teach in a charter school in Indiana under IC 20-28-5-16.**".

Page 13, delete lines 18 through 20.

Page 24, between lines 30 and 31, begin a new paragraph and insert:

"SECTION 28. IC 20-28-5-16 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 16. The department shall establish a program under which an individual who:**

- (1) wishes to teach in a charter school in Indiana; and**
- (2) holds at least a bachelor's degree with a grade point average of at least 3.0 on a 4.0 point scale from an accredited postsecondary institution in the content or a related area in which the individual wishes to teach;**



may obtain a license that allows the individual to teach in a charter school. The program must allow the individual to teach in a charter school while the individual is in the process of obtaining the license."

Renumber all SECTIONS consecutively.

(Reference is to EHB 1002 as printed March 25, 2011.)

KRUSE

SENATE MOTION

Madam President: I move that Engrossed House Bill 1002 be amended to read as follows:

Page 5, delete lines 7 through 8, begin a new line block indented and insert:

"(5) A nonprofit college or university that provides a four (4) year educational program for which it awards a baccalaureate or more advanced degree, including the following:

- Anderson University**
- Bethel College**
- Butler University**
- Calumet College of St. Joseph**
- DePauw University**
- Earlham College**
- Franklin College**
- Goshen College**
- Grace College**
- Hanover College**
- Holy Cross College**
- Huntington University**
- Indiana Tech**
- Indiana Wesleyan University**
- Manchester College**
- Marian University**
- Martin University**
- Oakland City University**
- Rose-Hulman Institute of Technology**
- Saint Joseph's College**
- Saint Mary-of-the-Woods College**
- Saint Mary's College**

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**Taylor University
Trine University
University of Evansville
University of Indianapolis
University of Notre Dame
University of Saint Francis
Valparaiso University
Wabash College."**

(Reference is to EHB 1002 as printed March 25, 2011.)

SIMPSON

SENATE MOTION

Madam President: I move that Engrossed House Bill 1002 be amended to read as follows:

Page 13, line 21, delete "seventy-five percent (75%)" and insert "**ninety percent (90%)**".

(Reference is to EHB 1002 as printed March 25, 2011.)

YODER

SENATE MOTION

Madam President: I move that Engrossed House Bill 1002 be amended to read as follows:

Page 7, line 37, after "If" insert "**the state board has closed or transferred sponsorship of**".

Page 7, line 38, delete "have incurred actions".

Page 7, line 41, after "schools." insert "**A determination under this section to suspend a sponsor's authority to sponsor new charter schools must identify the deficiencies that, if corrected, will result in the approval of the sponsor to sponsor new charter schools.**".

(Reference is to EHB 1002 as printed March 25, 2011.)

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SENATE MOTION

Madam President: I move that Engrossed House Bill 1002 be amended to read as follows:

Page 12, delete lines 20 through 26.

(Reference is to EHB 1002 as printed March 25, 2011.)

KRUSE

 SENATE MOTION

Madam President: I move that Engrossed House Bill 1002 be amended to read as follows:

Page 18, delete lines 28 through 42.

Page 19, delete line 1.

(Reference is to EHB 1002 as printed March 25, 2011.)

SCHNEIDER

 SENATE MOTION

Madam President: I move that Engrossed House Bill 1002 be amended to read as follows:

Page 17, line 36, after "(a)" insert "**This section does not apply to an existing public elementary or secondary school that the governing body of the school corporation in which the school is located has scheduled for closure.**

(b)".

Page 18, line 9, delete "(b)" and insert "(c)".

Page 18, line 9, delete "(a)(2)," and insert "(b)(2),".

Page 18, line 13, delete "(c)" and insert "(d)".

Page 18, line 13, delete "(a)(1)" and insert "(b)(1)".

Page 18, line 18, delete "(d)" and insert "(e)".

Page 18, line 19, delete "(c)," and insert "(d),".

Page 18, line 22, delete "(e)" and insert "(f)".

Page 18, line 28, delete "(f)" and insert "(g)".

(Reference is to EHB 1002 as printed March 25, 2011.)

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SENATE MOTION

Madam President: I move that Engrossed House Bill 1002, which is eligible for third reading, be returned to second reading for purposes of amendment.

KRUSE

 SENATE MOTION

Madam President: I move that Engrossed House Bill 1002 be amended to read as follows:

Page 14, line 1, strike "An individual" and insert "**At least ninety percent (90%) of the individuals**".

Page 14, line 1, strike "teaches" and insert "**teach**".

Page 14, line 2, delete "must:" and insert "must".

Page 14, line 2, reset in roman "either:".

Page 14, line 4, reset in roman "or".

Page 14, line 7, delete "or".

Page 14, after line 7, begin a new line blocked left and insert:
"unless the charter school requests and the state board approves a waiver for a lower percentage.

(b) An individual who does not qualify under subsection (a) may teach full time in a charter school if the individual meets one of the following criteria:

(1) The individual is in the process of obtaining a license to teach in a charter school in Indiana under IC 20-28-5-16.

(2) The individual holds at least a bachelor's degree with a grade point average of at least three (3.0) on a four (4.0) point scale from an accredited postsecondary educational institution in the content or related area in which the individual teaches.

Individuals qualifying under subsection (b) may not exceed ten percent (10%) of the full time teaching staff unless the charter school requests and the state board approves a waiver for a higher percentage."

Page 14, delete lines 8 through 14.

Page 14, line 15, strike "(b)" and insert "(c)".

Page 14, line 18, delete "(c)" and insert "(d)".

Page 14, line 23, delete "(d)" and insert "(e)".

Page 18, line 32, delete "either" and insert "**all**".

Page 18, line 36, delete "conversion. The" and insert "conversion,

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which".

Page 18, line 37, delete "petition".

Page 18, line 38, after "signature." begin a new line block indented and insert **"(2)".**

Page 18, after line 40, begin a new line block indented and insert:

"(3) The governing body votes to convert an existing school within the school corporation."

Page 18, after line 42, begin a new paragraph and insert:

"(c) Notwithstanding subsection (b), if a governing body operates a school that has been placed in either of the two (2) lowest categories or designations under IC 20-31-8-3 for four (4) consecutive years, the governing body may not serve as that charter school's sponsor."

Page 19, line 1, delete "(b)" and insert **"(d)"**.

Page 26, line 6, delete "IC 20-24-6-9." and insert "IC 20-24-6-9; IC 20-24-11-2; IC 20-24-11-3; IC 20-24-11-4."

(Reference is to EHB 1002 as reprinted printer's error April 5, 2011.)

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