

Adopted	Rejected
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MINORITY COMMITTEE REPORT

MR. SPEAKER:

*A minority of your Committee on Education, which met on January 24, 2011, to consider 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:*

- 1 Delete AM100201 adopted by the Committee on Education on
- 2 January 19, 2011.
- 3 Delete AM100204 adopted by the Committee on Education on
- 4 January 19, 2011.
- 5 Page 1, between the enacting clause and line 1, begin a new
- 6 paragraph and insert:
- 7 "SECTION 1. IC 4-4-10.9-6.2, AS AMENDED BY P.L.2-2007,
- 8 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 9 UPON PASSAGE]: Sec. 6.2. (a) "Educational facility project"
- 10 includes:
- 11 (1) the acquisition of land, site improvements, infrastructure
- 12 improvements, buildings, or structures, the rehabilitation,
- 13 renovation, and enlargement of buildings and structures,
- 14 machinery, equipment, furnishings, or facilities (or any

- 1 combination of these):
- 2 (A) comprising or being functionally related and subordinate
- 3 to any aquaria, botanical societies, historical societies,
- 4 libraries, museums, performing arts associations or societies,
- 5 scientific societies, zoological societies, and independent
- 6 elementary, secondary, or postsecondary educational
- 7 institution (or any combination of these) that engages in the
- 8 cultural, intellectual, scientific, educational, or artistic
- 9 enrichment of the people of the state the development or
- 10 expansion of which serves the purposes set forth in
- 11 IC 4-4-11-2;
- 12 (B) is not used or to be used primarily for sectarian instruction
- 13 or study or as a place for devotional activities; and
- 14 (C) is not used or to be used primarily in connection with any
- 15 part of the program of a school or department of divinity for
- 16 any religious denomination; ~~or~~
- 17 (2) funding (including reimbursement or refinancing) by a
- 18 nonprofit organization described in subsection (b) of:
- 19 (A) real property and improvements;
- 20 (B) personal property; or
- 21 (C) noncapital costs to fund a judgment, a settlement, or other
- 22 cost or liability, other than an ordinary and recurring operating
- 23 cost or expenditure; ~~or~~
- 24 **(3) funding (including reimbursement or refinancing) by the**
- 25 **department of education of:**
- 26 **(A) real property and improvements;**
- 27 **(B) personal property; or**
- 28 **(C) noncapital costs to fund a judgment, a settlement, or**
- 29 **other cost or liability, other than an ordinary and**
- 30 **recurring operating cost or expenditure;**
- 31 **of a charter school (as defined in IC 20-24-1-4) through the**
- 32 **charter school facilities aid fund established by IC 20-24-12-4**
- 33 **or the charter school facilities revolving loan fund established**
- 34 **by IC 20-24-13-4.**
- 35 (b) For purposes of subsection (a)(2), a nonprofit organization must
- 36 be:
- 37 (1) qualified as tax exempt under Section 501(c)(3) of the Internal
- 38 Revenue Code; and

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

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

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

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

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

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

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

26 (6) Make, execute, and enforce contracts and all other instruments
27 necessary, convenient, or desirable for the purposes of the
28 authority or pertaining to:

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

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

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

38 (8) Procure insurance against any loss in connection with its

1 property and other assets, including loans and loan notes in
2 amounts and from insurers as it may consider advisable.

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

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

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

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

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

23 (11) Purchase, receive, take by grant, gift, devise, bequest, or
24 otherwise, and accept, from any source, aid or contributions of
25 money, property, labor, or other things of value to be held, used,
26 and applied to carry out the purposes of the affected statutes,
27 subject to the conditions upon which the grants or contributions
28 are made, including but not limited to gifts or grants from any
29 department, agency, or instrumentality of the United States, and
30 lease or otherwise acquire, own, hold, improve, employ, use, and
31 otherwise deal in and with real or personal property or any
32 interest in real or personal property, wherever situated, for any
33 purpose consistent with the affected statutes.

34 (12) Enter into agreements with any department, agency, or
35 instrumentality of the United States or this state and with lenders
36 and enter into loan agreements, sales contracts, and leases with
37 contracting parties, including participants (as defined in
38 IC 13-11-2-151.1) for any purpose permitted under IC 13-18-13

1 or IC 13-18-21, borrowers, lenders, developers, or users, for the
2 purpose of planning, regulating, and providing for the financing
3 and refinancing of any agricultural enterprise (as defined in
4 IC 5-28-31-1), rural development project (as defined in
5 IC 5-28-31-20), industrial development project, purpose permitted
6 under IC 13-18-13 and IC 13-18-21, or international exports, and
7 distribute data and information concerning the encouragement
8 and improvement of agricultural enterprises and agricultural
9 employment, rural development projects, industrial development
10 projects, international exports, and other types of employment in
11 the state undertaken with the assistance of the authority under this
12 chapter.

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

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

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

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

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

38 (A) the authority's money, funds, and accounts;

- 1 (B) any money, funds, and accounts in the authority's custody;
2 and
3 (C) proceeds of bonds or notes;
4 in the manner provided by an investment policy established by
5 resolution of the authority.
- 6 (18) Fix and revise periodically, and charge and collect, fees and
7 charges as the authority determines to be reasonable in connection
8 with:
- 9 (A) the authority's loans, guarantees, advances, insurance,
10 commitments, and servicing; and
11 (B) the use of the authority's services or facilities.
- 12 (19) Cooperate and exchange services, personnel, and information
13 with any federal, state, or local government agency, or
14 instrumentality of the United States or this state.
- 15 (20) Sell, at public or private sale, with or without public bidding,
16 any loan or other obligation held by the authority.
- 17 (21) Enter into agreements concerning, and acquire, hold, and
18 dispose by any lawful means, land or interests in land, building
19 improvements, structures, personal property, franchises, patents,
20 accounts receivable, loans, assignments, guarantees, and
21 insurance needed for the purposes of the affected statutes.
- 22 (22) Take assignments of accounts receivable, loans, guarantees,
23 insurance, notes, mortgages, security agreements securing notes,
24 and other forms of security, attach, seize, or take title by
25 foreclosure or conveyance to any industrial development project
26 when a guaranteed loan thereon is clearly in default and when in
27 the opinion of the authority such acquisition is necessary to
28 safeguard the industrial development project guaranty fund, and
29 sell, or on a temporary basis, lease or rent such industrial
30 development project for any use.
- 31 (23) Expend money provided to the authority by the Indiana
32 economic development corporation from the industrial
33 development project guaranty fund created by IC 5-28-30, subject
34 to the terms of any agreement with the Indiana economic
35 development corporation governing the expenditure of that
36 money.
- 37 (24) Purchase, lease as lessee, construct, remodel, rebuild,
38 enlarge, or substantially improve industrial development projects,

- 1 including land, machinery, equipment, or any combination
 2 thereof.
- 3 (25) Lease industrial development projects to users or developers,
 4 with or without an option to purchase.
- 5 (26) Sell industrial development projects to users or developers,
 6 for consideration to be paid in installments or otherwise.
- 7 (27) Make:
- 8 (A) direct loans from the proceeds of the bonds to users or
 9 developers for:
- 10 ~~(A)~~ (i) the cost of acquisition, construction, or installation of
 11 industrial development projects, including land, machinery,
 12 equipment, or any combination thereof; or
- 13 ~~(B)~~ (ii) eligible expenditures for an educational facility
 14 project described in IC 4-4-10.9-6.2(a)(2);
- 15 with the loans to be secured by the pledge of one (1) or more
 16 bonds, notes, warrants, or other secured or unsecured debt
 17 obligations of the users or developers;
- 18 **(B) loans from the proceeds of grant anticipation revenue**
 19 **bonds to the charter school facilities aid fund established**
 20 **by IC 20-24-12-4, with the loans to be secured by the**
 21 **pledge of grant revenues awarded to the department of**
 22 **education for the purposes of educational facility projects**
 23 **described in IC 4-4-10.9-6.2(a)(3) that the authority**
 24 **determines is proper under the circumstances; or**
- 25 **(C) loans from the proceeds of the bonds to the charter**
 26 **school facilities revolving loan fund established by**
 27 **IC 20-24-13-4, with the loans to be secured by the credit**
 28 **enhancements, guaranties, or pledge of one (1) or more**
 29 **bonds, notes, warrants, or other secured or unsecured debt**
 30 **obligations of users or developers of an educational facility**
 31 **project described in IC 4-4-10.9-6.2(a)(3) that the authority**
 32 **determines are proper under the circumstances.**
- 33 (28) Lend or deposit the proceeds of bonds to or with a lender for
 34 the purpose of furnishing funds to such lender to be used for
 35 making a loan to a developer or user for the financing of industrial
 36 development projects under this chapter.
- 37 (29) Enter into agreements with users or developers to allow the
 38 users or developers, directly or as agents for the authority, to

- 1 wholly or partially construct industrial development projects to be
2 leased from or to be acquired by the authority.
- 3 (30) Establish reserves from the proceeds of the sale of bonds,
4 other funds, or both, in the amount determined to be necessary by
5 the authority to secure the payment of the principal and interest on
6 the bonds.
- 7 (31) Adopt rules and guidelines governing its activities authorized
8 under the affected statutes.
- 9 (32) Use the proceeds of bonds to make guaranteed participating
10 loans.
- 11 (33) Purchase, discount, sell, and negotiate, with or without
12 guaranty, notes and other evidences of indebtedness.
- 13 (34) Sell and guarantee securities.
- 14 (35) Make guaranteed participating loans under IC 4-4-21-26.
- 15 (36) Procure insurance to guarantee, insure, coinsure, and
16 reinsure against political and commercial risk of loss, and any
17 other insurance the authority considers necessary, including
18 insurance to secure the payment of principal and interest on notes
19 or other obligations of the authority.
- 20 (37) Provide performance bond guarantees to support eligible
21 export loan transactions, subject to the terms of the affected
22 statutes.
- 23 (38) Provide financial counseling services to Indiana exporters.
- 24 (39) Accept gifts, grants, or loans from, and enter into contracts
25 or other transactions with, any federal or state agency,
26 municipality, private organization, or other source.
- 27 (40) Sell, convey, lease, exchange, transfer, or otherwise dispose
28 of property or any interest in property, wherever the property is
29 located.
- 30 (41) Cooperate with other public and private organizations to
31 promote export trade activities in Indiana.
- 32 (42) Cooperate with the Indiana economic development
33 corporation in taking any actions necessary for the administration
34 of the agricultural loan and rural development project guarantee
35 fund established by IC 5-28-31.
- 36 (43) In cooperation with the Indiana economic development
37 corporation, take assignments of notes and mortgages and security
38 agreements securing notes and other forms of security, and attach,

- 1 seize, or take title by foreclosure or conveyance to any
2 agricultural enterprise or rural development project when a
3 guaranteed loan to the enterprise or rural development project is
4 clearly in default and when in the opinion of the Indiana
5 economic development corporation the acquisition is necessary to
6 safeguard the agricultural loan and rural development project
7 guarantee fund, and sell, or on a temporary basis, lease or rent the
8 agricultural enterprise or rural development project for any use.
- 9 (44) Expend money provided to the authority by the Indiana
10 economic development corporation from the agricultural loan and
11 rural development project guarantee fund created by IC 5-28-31,
12 subject to the terms of any agreement with the Indiana economic
13 development corporation governing the expenditure of that
14 money.
- 15 (45) Reimburse from bond proceeds expenditures for industrial
16 development projects under this chapter.
- 17 (46) Acquire, hold, use, and dispose of the authority's income,
18 revenues, funds, and money.
- 19 (47) Purchase, acquire, or hold debt securities or other
20 investments for the authority's own account at prices and in a
21 manner the authority considers advisable, and sell or otherwise
22 dispose of those securities or investments at prices without
23 relation to cost and in a manner the authority considers advisable.
- 24 (48) Fix and establish terms and provisions with respect to:
- 25 (A) a purchase of securities by the authority, including dates
26 and maturities of the securities;
- 27 (B) redemption or payment before maturity; and
- 28 (C) any other matters that in connection with the purchase are
29 necessary, desirable, or advisable in the judgment of the
30 authority.
- 31 (49) To the extent permitted under the authority's contracts with
32 the holders of bonds or notes, amend, modify, and supplement any
33 provision or term of:
- 34 (A) a bond, a note, or any other obligation of the authority; or
35 (B) any agreement or contract of any kind to which the
36 authority is a party.
- 37 (50) Subject to the authority's investment policy, do any act and
38 enter into any agreement pertaining to a swap agreement (as

1 defined in IC 8-9.5-9-4) related to the purposes of the affected
 2 statutes in accordance with IC 8-9.5-9-5 and IC 8-9.5-9-7,
 3 whether the action is incidental to the issuance, carrying, or
 4 securing of bonds or otherwise.

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

10 (b) The authority's powers under this chapter shall be interpreted
 11 broadly to effectuate the purposes of this chapter and may not be
 12 construed as a limitation of powers. The omission of a power from the
 13 list in subsection (a) does not imply that the authority lacks that power.
 14 The authority may exercise any power that is not listed in subsection
 15 (a) but is consistent with the powers listed in subsection (a) to the
 16 extent that the power is not expressly denied by the Constitution of the
 17 State of Indiana or by another statute.

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

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

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

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

34 **(1) IC 20-24-12, refers to the charter school facilities aid fund;**
 35 **and**

36 **(2) IC 20-24-13, refers to the charter school facilities revolving**
 37 **loan fund.**

38 SECTION 5. IC 20-24-1-6.3 IS ADDED TO THE INDIANA CODE

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

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

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

11 **(1) IC 20-24-12, refers to a charter school per pupil facilities**
12 **aid program under IC 20-24-12; and**

13 **(2) IC 20-24-13, refers to the charter school per pupil facilities**
14 **revolving loan program."**

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

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

17 Page 4, delete line 34.

18 Page 4, line 36, delete "associate or".

19 Page 4, line 40, delete ";" and insert ".".

20 Page 4, delete line 41.

21 Page 5, line 1, after "A" insert "**nonproprietary**".

22 Page 5, line 1, delete "charter" and insert "**state**".

23 Page 5, line 5, delete ""Underutilized"" and insert ""**Unused**"".

24 Page 5, line 6, delete "fifty percent (50%)" and insert "**twenty-five**
25 **percent (25%)**".

26 Page 5, line 7, delete "." and insert "**and for which no offer to**
27 **purchase has been executed.**".

28 Page 5, line 20, delete "advisory".

29 Page 6, line 5, delete "and".

30 Page 6, line 7, after "IC 20-24-3-9;" insert "**and**

31 **(C) monitor charter schools sponsored by the charter**
32 **board; and**".

33 Page 6, line 9, delete "and".

34 Page 6, delete lines 10 through 11.

35 Page 6, line 20, delete "Approval,".

36 Page 6, line 20, after "Monitoring" delete ",".

37 Page 6, delete lines 22 through 42.

38 Page 7, line 1, delete "3. (a)" and insert "**1**".

- 1 Page 7, line 1, delete "charter" and insert "**state**".
- 2 Page 7, line 3, delete "charter" and insert "**state**".
- 3 Page 7, delete lines 11 through 12.
- 4 Page 7, line 13, delete "4." and insert "**2.**".
- 5 Page 7, line 13, delete "ten (10)" and insert "**thirty (30)**".
- 6 Page 7, line 13, delete "charter" and insert "**state**".
- 7 Page 7, line 15, delete "charter" and insert "**state**".
- 8 Page 7, line 15, delete "graded" and insert "**placed in either of the**
- 9 **two (2) lowest categories or designations**".
- 10 Page 7, line 16, delete "as a "D" or an "F" school".
- 11 Page 7, line 17, delete ", if" and insert "**and**".
- 12 Page 7, line 19, delete "charter" and insert "**state**".
- 13 Page 7, line 19, delete "may:" and insert "**shall:**".
- 14 Page 7, line 20, delete "temporarily suspend the authority of the
- 15 sponsor to" and insert "**require the submission, approval, and**
- 16 **implementation of a school turnaround plan for the school**
- 17 **identified in subsection (a)**";
- 18 Page 7, delete lines 21 through 23.
- 19 Page 7, line 25, delete "another sponsor that agrees to accept the"
- 20 and insert "**the charter board**";
- 21 Page 7, delete lines 26 through 28, begin a new line block indented
- 22 and insert:
- 23 **"(3) order the closure of the school identified in subsection (a)**
- 24 **on the date set by the state board; or**
- 25 **(4) order the reduction of any administrative fee collected**
- 26 **under IC 20-24-7-4 that is applicable to the school identified**
- 27 **in subsection (a) to an amount not greater than fifty percent**
- 28 **(50%) of the amount allowed under IC 20-24-7-4;**
- 29 **unless the state board finds sufficient justification for the school's**
- 30 **performance under the state school accountability system.**".
- 31 Page 9, delete lines 24 through 26.
- 32 Page 9, line 36, after "examination" strike ";".
- 33 Page 9, line 36, after "examination;" insert "**and**".
- 34 Page 10, delete line 42.
- 35 Page 11, delete lines 1 through 40, begin a new paragraph and
- 36 insert:
- 37 "SECTION 11. IC 20-24-5-1, AS ADDED BY P.L.1-2005,
- 38 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

1 JULY 1, 2011]: Sec. 1. ~~Except as provided in this chapter,~~ A charter
 2 school, ~~that is not a conversion charter school including a conversion~~
 3 **charter school**, must be open to any student who resides in Indiana.

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

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

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

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

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

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

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

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

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

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

36 **(b) Notwithstanding subsection (a), a charter school may**
 37 **operate as a single gender school if approved to do so by the**
 38 **sponsor. A single gender charter school must be open to any**

- 1 **student of the gender the school serves who resides in Indiana."**
- 2 Page 12, line 29, delete ", separately totaled by school corporation"
- 3 and insert "**and either:**
- 4 **(i) are enrolled in kindergarten or grade 1 through 8; or**
- 5 **(ii) qualify as a child with a disability (as defined in**
- 6 **IC 20-35-1-2) and are enrolled in grade 9 through 12;**
- 7 **separately totaled by school corporation and charter**
- 8 **school."**
- 9 Page 12, delete line 30.
- 10 Page 14, line 11, after "(a)" insert "**This section applies to a**
- 11 **distribution to a charter school from the transportation fund levy**
- 12 **of a school corporation that does not elect to provide**
- 13 **transportation to the students who:**
- 14 **(1) have legal settlement in the school corporation; and**
- 15 **(2) are enrolled in the charter school.**
- 16 **(b)"**.
- 17 Page 14, line 14, delete "(b) At the same time that a county auditor
- 18 makes a distribution" and insert "**(c) The county auditor shall"**.
- 19 Page 14, delete lines 15 through 16.
- 20 Page 14, line 18, after "IC 20-46-4-6" insert "**, including any part**
- 21 **of the levy imposed under IC 20-46-4-10,"**.
- 22 Page 14, delete lines 19 through 20.
- 23 Page 14, line 21, delete "." and insert "**for the purposes of the**
- 24 **charter school in the same manner and at the same time as other**
- 25 **property taxes are distributed.**
- 26 **(d) The amount to be distributed to a charter school under**
- 27 **subsection (c) is equal to the total amount to be distributed from**
- 28 **the levies described in subsection (c) multiplied by a fraction. The**
- 29 **numerator of the fraction is the number of students with legal**
- 30 **settlement in the school corporation imposing the levy that are**
- 31 **included in the current ADM of the charter school, as determined**
- 32 **under section 2(c)(1) of this chapter. The denominator is the total**
- 33 **number of students determined for the school corporation under**
- 34 **section 2(c)(4) of this chapter."**
- 35 Page 14, delete lines 22 through 29.
- 36 Page 15, line 26, delete "or underutilized".
- 37 Page 15, line 28, delete "and".
- 38 Page 15, line 29, delete "underutilized".

- 1 Page 15, line 31, delete "and".
- 2 Page 15, line 32, delete "underutilized".
- 3 Page 15, line 33, delete "or underutilized".
- 4 Page 15, line 39, delete "or".
- 5 Page 15, line 40, delete "underutilized".
- 6 Page 16, line 1, delete "underutilized" and insert "unused".
- 7 Page 16, line 2, delete "The".
- 8 Page 16, delete lines 3 through 6.
- 9 Page 16, line 7, delete "default under the lease.".
- 10 Page 16, line 11, delete "If a".
- 11 Page 16, delete lines 12 through 15.
- 12 Page 16, line 18, delete "and" and insert "**maintenance, and**
- 13 **repairs**".
- 14 Page 16, line 19, delete "property taxes".
- 15 Page 16, line 20, after "school." insert "**If the charter school fails**
- 16 **to apply for a property tax exemption, a lien does not attach to the**
- 17 **property.**".
- 18 Page 16, between lines 41 and 42, begin a new paragraph and insert:
- 19 "**(h) If a charter school discontinues the charter school's use of**
- 20 **a school facility, the charter school shall offer to sell the school**
- 21 **facility back to the school corporation from which the school**
- 22 **facility was purchased at the original purchase price.**".
- 23 Page 17, line 11, delete "." and insert "**for each sponsored school.**".
- 24 Page 17, line 13, delete "." and insert "**for each sponsored school.**".
- 25 Page 18, line 3, delete "either" and insert "**any**".
- 26 Page 18, line 4, reset in roman "apply:".
- 27 Page 18, line 4, delete "applies:".
- 28 Page 18, line 5, reset in roman "(1) At least".
- 29 Page 18, line 5, after "(60%)" insert "**fifty-one percent (51%)**".
- 30 Page 18, line 5, reset in roman "of the teachers at the school have".
- 31 Page 18, reset in roman line 6.
- 32 Page 18, line 6, delete "." and insert "**and the school has been**
- 33 **placed in either of the two (2) highest categories or designations**
- 34 **under IC 20-31-8-3 for two (2) consecutive years.**".
- 35 Page 18, line 7, delete "(1)" and insert "**(2)**".
- 36 Page 18, line 11, delete "(2)" and insert "**(3)**".
- 37 Page 18, line 13, after "school." insert "**The petition must be**
- 38 **completed not later than ninety (90) days after the date of the first**

- 1 **signature."**
- 2 Page 18, line 14, delete "If" and insert "**Notwithstanding**".
- 3 Page 18, line 14, delete "(a)(1) applies, the" and insert "**(a)(2), if a**".
- 4 Page 18, line 14, delete "must form a" and insert "**operates a school**
- 5 **that receives either of the two (2) lowest designations under**
- 6 **IC 20-31-8-3 for four (4) consecutive years, the governing body**
- 7 **may not serve as a charter school's sponsor."**
- 8 Page 18, delete lines 15 through 19.
- 9 Page 18, line 20, delete "(a)(2)" and insert "**(a)(3)**".
- 10 Page 18, line 20, after "submit" delete "a" and insert "**the petition**
- 11 **to the governing body and the state board. If the petition has been**
- 12 **approved by the state board,"**.
- 13 Page 18, delete line 21.
- 14 Page 18, line 22, delete "approved,".
- 15 Page 18, between lines 23 and 24, begin a new paragraph and insert:
- 16 "**(d) After a governing body receives a petition under subsection**
- 17 **(c), the governing body may not change the enrollment boundaries**
- 18 **for the school that is the subject of the petition for at least one (1)**
- 19 **year, unless the petition is rejected by the state board."**
- 20 Page 18, line 24, delete "(d)" and insert "(e)".
- 21 Page 18, between lines 27 and 28, begin a new paragraph and insert:
- 22 "**(f) After a conversion charter school has been in operation for**
- 23 **at least five (5) years, the school may be returned to traditional**
- 24 **school status if any of the following conditions apply:**
- 25 **(1) At least fifty-one percent (51%) of the teachers at the**
- 26 **school have signed a petition requesting the change in status.**
- 27 **(2) The governing body votes to change the status.**
- 28 **(3) A petition requesting the change in status is signed by the**
- 29 **parents of at least fifty-one percent (51%) of the students at**
- 30 **the school. The petition must be completed not later than**
- 31 **ninety (90) days after the date of the first signature.**
- 32 **A petition under subdivision (1) or (3) must be submitted to the**
- 33 **governing body and the state board.**
- 34 SECTION 26. IC 20-24-12 IS ADDED TO THE INDIANA CODE
- 35 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
- 36 UPON PASSAGE]:
- 37 **Chapter 12. Charter School Facilities Aid Program**
- 38 **Sec. 1. The charter school facilities aid program is established.**

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

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

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

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

9 **(b) The fund consists of the following:**

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

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

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

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

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

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

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

1 program.

2 Sec. 7. (a) The department shall establish written procedures for
3 providing grants to charter schools for the purposes described in
4 section 2 of this chapter. The written procedures must include at
5 least the following:

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

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

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

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

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

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

31 **Chapter 13. Charter School Facilities Revolving Loan Program**

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

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

- 36 (1) constructing;
- 37 (2) purchasing;
- 38 (3) renovating; and

1 **(4) maintaining;**
2 **charter school facilities.**

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

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

6 **(b) The fund consists of the following:**

7 **(1) Money appropriated by the general assembly.**

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

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

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

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

16 **(6) Any earnings on money in the fund.**

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

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

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

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

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

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

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

36 **(1) An application procedure.**

37 **(2) A procedure to identify projects that may qualify for a**
38 **loan.**

1 **(3) Criteria for establishing the priority of projects for which**
2 **loans will be made.**

3 **(4) Procedures for selecting projects for which loans will be**
4 **made.**

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

8 **(1) A description of the proposed construction, purchase,**
9 **renovation, or maintenance.**

10 **(2) An estimate of the cost of the proposed construction,**
11 **purchase, renovation, or maintenance.**

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

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

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

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

21 **(3) The geographic distribution of loans made from the fund.**

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

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

28 **(6) The financial needs of the charter school.**

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

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

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

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

37 **(3) A charter school may receive multiple loans from the fund**
38 **as long as the total amount outstanding on all loans granted**

1 to the charter school from the fund do not exceed the
2 maximum amount set by the department.

3 **(4) The department shall determine the interest rate and other**
4 **terms for the loan.**

5 **(5) A charter school must enter into a loan agreement with the**
6 **department before receiving a loan from the fund. The loan**
7 **agreement is a valid, binding, and enforceable agreement**
8 **between the charter school and the department. The loan**
9 **agreement must contain the following terms:**

10 **(A) A requirement that the loan proceeds be used to pay**
11 **for the proposed construction, purchase, renovation, or**
12 **maintenance of charter school facilities.**

13 **(B) The term of the loan.**

14 **(C) The repayment schedule.**

15 **(D) The interest rate of the loan.**

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

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

20 **(1) the amount of state tuition support that the charter school**
21 **is eligible to receive; and**

22 **(2) to the extent that state tuition support is insufficient to**
23 **meet the debt service obligations of the charter school, other**
24 **resources available to the charter school.**

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

33 SECTION 28. IC 20-27-9-18 IS ADDED TO THE INDIANA
34 CODE AS A NEW SECTION TO READ AS FOLLOWS
35 [EFFECTIVE JULY 1, 2011]: **Sec. 18. The governing body of a**
36 **school corporation may allow a school bus to be used to provide**
37 **transportation without charge for a charter school student who has**
38 **legal settlement in the school corporation. The service must**

1 **provide transportation from the student's residence to the charter**
 2 **school in which the student is enrolled and from the charter school**
 3 **to the student's residence. The limitations in IC 20-27-11-1 do not**
 4 **apply to this section."**

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

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

8 Page 19, line 15, delete "IC 20-24-7-6(b)." and insert "**IC**
 9 **20-24-7-6."**

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

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

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

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

20 **(2) are enrolled in a charter school;**

21 **instead of providing a distribution of the school corporation's**
 22 **transportation fund levy to the charter school. The resolution must**
 23 **identify the charter schools to which the school corporation will**
 24 **provide transportation. An election adopted under this section**
 25 **remains in effect until a resolution rescinding the election becomes**
 26 **effective.**

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

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

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

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

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

16 (1) A fuel expense increase.

17 (2) A significant increase in the number of students enrolled in
 18 the school corporation that need transportation or a significant
 19 increase in the mileage traveled by the school corporation's buses
 20 compared with the previous year.

21 (3) A significant increase in the number of students enrolled in
 22 special education who need transportation or a significant
 23 increase in the mileage traveled by the school corporation's buses
 24 due to students enrolled in special education as compared with the
 25 previous year.

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

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

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

1 **under this section.**

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

7 Page 20, delete lines 1 through 26.

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

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

10 Page 20, run in lines 34 through 35.

11 Page 20, delete lines 40 through 42.

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

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

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

27 (1) July 1, 2009; and

28 (2) July 1, 2010;

29 notwithstanding contrary terms in the charter school and state board
30 advance agreement.

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

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

- 1 Page 21, line 14, delete "IC 20-24-6-3;" and insert "IC 20-24-5-2;
- 2 IC 20-24-5-3; IC 20-24-5-4; IC 20-24-5-5;".
- 3 Page 21, line 15, delete "IC 20-24-6-4; IC 20-24-6-9;".
- 4 Page 21, line 21, delete "if the charter".
- 5 Page 21, line 22, delete "school board agrees to sponsor the virtual
- 6 charter school,".
- 7 Page 21, line 22, after "unless" insert "**the virtual charter school**
- 8 **obtains another sponsor.**".
- 9 Page 21, delete lines 23 through 24.
- 10 Page 21, line 29, delete "Ball State University." and insert "**another**
- 11 **sponsor.**".
- 12 Renumber all SECTIONS consecutively.
(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.)

and when so amended that said bill do pass.

Representative Porter