

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:

- 1 Page 1, delete lines 1 through 15.
- 2 Delete pages 2 through 8.
- 3 Page 9, delete lines 1 through 31.
- 4 Page 11, line 21, after "school corporation" insert "**or charter**
- 5 **school**".
- 6 Page 12, delete lines 34 through 42, begin a new paragraph and
- 7 insert:
- 8 "SECTION 3. IC 20-24-1-6.2 IS ADDED TO THE INDIANA
- 9 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
- 10 [EFFECTIVE UPON PASSAGE]: **Sec. 6.2. "Fund", for purposes of**
- 11 **IC 20-24-12, refers to the charter school facilities assistance fund.**
- 12 SECTION 4. IC 20-24-1-7.5 IS ADDED TO THE INDIANA CODE
- 13 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
- 14 UPON PASSAGE]: **Sec. 7.5. "Program", for purposes of**
- 15 **IC 20-24-12, refers to the charter school facilities assistance**
- 16 **program under IC 20-24-12."**
- 17 Page 13, delete lines 1 through 13.
- 18 Page 14, line 34, after "The" insert "**department shall provide staff**
- 19 **to carry out the duties of the charter board under this chapter until**
- 20 **the time when the charter board begins receiving administrative**
- 21 **fees pursuant to IC 20-24-7-4(e). At that time, the"**.

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

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

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

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

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

19 **(1) Transfer the sponsorship of the charter school identified**
20 **in subsection (a) to the charter board.**

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

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

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

29 **(1) Enrollment of students with special challenges such as**
30 **drug or alcohol addiction, prior withdrawal from school,**
31 **prior incarceration, or other special circumstances.**

32 **(2) High mobility of the student population resulting from the**
33 **specific purpose of the charter school.**

34 **(3) Annual improvement in the performance of students**
35 **enrolled in the charter school, as measured by IC 20-31-8-1,**
36 **compared with the performance of students enrolled in the**
37 **charter school in the immediately preceding school year.**

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

1 Page 21, delete lines 14 through 42.

2 Page 22, delete lines 1 through 12.

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

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

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

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

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

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

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

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

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

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

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

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

36 **"(f) Each school year, at least seventy-five percent (75%) of the**
37 **students who are enrolled in virtual charter schools under this**
38 **section for the first time must have been included in the state's**
39 **ADM count for the previous school year."**

40 Page 26, delete lines 33 through 42.

41 Delete page 27.

42 Page 28, delete lines 1 through 16.

- 1 Page 28, line 17, delete "IC 20-24-13" and insert "IC 20-24-12".
- 2 Page 28, line 20, delete "13." and insert "12.".
- 3 Page 28, line 20, delete "Revolving Loan" and insert "Assistance".
- 4 Page 28, line 21, delete "revolving loan" and insert "assistance".
- 5 Page 28, line 23, after "make" insert "grants and".
- 6 Page 28, line 27, delete "and".
- 7 Page 28, between lines 28 and 29, begin a new line block indented
- 8 and insert:
- 9 **"(5) paying first semester costs for new; and**
- 10 **(6) reducing common school fund debt for;"**.
- 11 Page 28, line 29, delete "school facilities." and insert "schools.".
- 12 Page 28, line 31, delete "revolving loan" and insert "assistance".
- 13 Page 28, line 34, after "appropriated" insert "or authorized".
- 14 Page 28, delete lines 41 through 42.
- 15 Page 29, line 1, delete "(6)" and insert "(5)".
- 16 Page 29, line 7, delete "shall" and insert "may".
- 17 Page 29, delete lines 11 through 17, begin a new paragraph and
- 18 insert:
- 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 Page 29, line 19, after "providing" insert "grants or".
- 38 Page 29, line 22, after "for a" insert "grant or".
- 39 Page 29, line 24, after "which" insert "grants or".
- 40 Page 29, line 26, after "which" insert "grants or".
- 41 Page 29, line 28, after "for a" insert "grant or".
- 42 Page 29, line 29, delete "at least the following" and insert "the

- 1 **information required by the department."**
- 2 Page 29, delete lines 30 through 37.
- 3 Page 29, line 38, after "a" insert "**grant or**".
- 4 Page 30, line 2, after "of" insert "**grants or**".
- 5 Page 30, line 3, after "that" insert "**grants or**".
- 6 Page 30, line 10, after "make" insert "**grants or**".
- 7 Page 30, line 23, after "loan" delete "." and insert ", **subject to the**
- 8 **approval of the state board of finance."**
- 9 Page 30, line 25, delete "The loan".
- 10 Page 30, delete lines 26 through 40.
- 11 Page 31, line 6, delete "debt" and insert "**balance of the loan**".
- 12 Page 31, line 7, delete "service obligations".
- 13 Page 31, line 12, delete "debt service obligation" and insert
- 14 "**balance of the loan**".
- 15 Page 32, line 9, after "corporation" insert "**or charter school**".
- 16 Page 34, delete lines 11 through 42.
- 17 Page 35, delete lines 1 through 4.
- 18 Page 35, delete lines 29 through 42.
- 19 Page 36, delete lines 1 through 4.
- 20 Page 36, delete lines 20 through 21.
- 21 Renumber all SECTIONS consecutively.
(Reference is to EHB 1002 as printed March 18, 2011.)

and when so amended that said bill do pass .

Committee Vote: Yeas 8, Nays 2.

Senator Kenley, Chairperson