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.
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, 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.**".

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 **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

(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 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 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;**".

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

2 Page 36, delete lines 34 through 37.

3 Renumber all SECTIONS consecutively.

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

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

Committee Vote: Yeas 8, Nays 2.

Senator Kruse, Chairperson