

First Regular Session of the 119th General Assembly (2015)

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 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

HOUSE ENROLLED ACT No. 1636

AN ACT to amend the Indiana Code concerning education.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 20-24-1-2.5, AS ADDED BY P.L.280-2013, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 2.5. "Authorizer" means, for a charter school, one (1) of the following:

- (1) **Subject to IC 20-24-2.2-1.2**, a governing body.
- (2) A state educational institution that offers a four (4) year baccalaureate degree.
- (3) The executive (as defined in IC 36-1-2-5) of a consolidated city.
- (4) The charter board.
- (5) **Subject to IC 20-24-2.2-1.2**, a **governing board of 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

HEA 1636 — Concur



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

SECTION 2. IC 20-24-1-7, AS ADDED BY P.L. 1-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 7. "Organizer" means a group or an entity that:

(1) has been determined by the Internal Revenue Service to be operating under nonprofit status or has applied for such determination; ~~and~~

(2) enters into a contract under this article to operate a charter school; ~~and~~

(3) is an independent board of a charter school that is a party to the charter contract with the authorizer, whose members have been elected or selected under the school's application.

SECTION 3. IC 20-24-2.2-1.2 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: **Sec. 1.2. (a) This section applies to an authorizer described in IC 20-24-1-2.5(1), IC 20-24-1-2.5(2), and IC 20-24-1-2.5(5) if the authorizer has not previously issued a charter for any charter school prior to July 1, 2015.**

(b) A governing body of a school corporation may register with the state board for charter authority within the attendance area of



the school corporation. The state board shall post on the state board's Internet web site an application received from an authorizer to register with the state board under this section within ten (10) days after receipt of the application. The state board may not charge an authorizer a fee to register with the state board under this section.

(c) A governing board of a nonprofit college or university described in IC 20-24-1-2.5(5) may apply to the state board for statewide, regional, or local chartering authority.

(d) The state board shall publicize to all governing bodies the opportunity to register with the state board for chartering authority within their school corporation. Not later than May 1 of each year, the state board shall provide information about the opportunity, including a registration deadline, to all governing bodies. To register as an authorizer, each interested governing body must submit the following information in a format prescribed by the state board:

- (1) A written notification of intent to serve as a charter authorizer in accordance with this article.
- (2) An explanation of the governing body's strategic vision for chartering.
- (3) An explanation of the governing body's budget and personnel capacity and commitment to execute the duties of quality charter authorizing in accordance with this article.
- (4) An explanation of how the governing body will solicit charter school applicants in accordance with IC 20-24-3.
- (5) A description or outline of the performance framework the governing body will use to guide the establishment of a charter contract and for the oversight and evaluation of charter schools, consistent with this article.
- (6) A draft of the governing body's renewal, revocation, and nonrenewal processes, consistent with this article.
- (7) A statement of assurance that the governing body commits to serving as a charter authorizer in fulfillment of the expectations, spirit, and intent of this article, and that the governing body will fully adopt standards of quality charter school authorizing in accordance with section 1.5 of this chapter.

(e) Within sixty (60) days of receipt of the information described in subsection (d), the state board shall register the governing body as a charter authorizer within the attendance area of the school corporation and shall provide the governing body a letter



confirming the governing body's registration as a charter authorizer. A governing body may not engage in any charter authorizing functions without a current registration as a charter authorizer with the state board.

(f) The state board shall establish an annual application and approval process, including cycles and deadlines during the state fiscal year, for registering an entity described in IC 20-24-1-2.5(5) for authorizer authority. Not later than May 1 of each year, the state board shall make available information and guidelines for an applicant described in IC 20-24-1-2.5(5) concerning the opportunity to apply for chartering authority under this article. The application process must require each applicant to submit an application that clearly explains or presents the following elements:

- (1) A written notification of intent to serve as a charter authorizer in accordance with this article.
- (2) The applicant's strategic vision for chartering.
- (3) A plan to support the applicant's strategic vision described in subdivision (2), including an explanation and evidence of the applicant's budget and personnel capacity and commitment to execute the duties of quality charter authorizing in accordance with this article.
- (4) A draft or preliminary outline of the request for proposals that the applicant would, if approved by the state board under this section, issue to solicit charter school applicants under IC 20-24-3.
- (5) A draft of the performance framework that the applicant would, if approved by the state board under this section, use to guide the establishment of a charter contract and for ongoing oversight and evaluation of charter schools consistent with this article.
- (6) A draft of the applicant's renewal, revocation, and nonrenewal processes.
- (7) A statement of assurance that the applicant commits to serving as a charter authorizer in fulfillment of the expectations, spirit, and intent of this article, and that the applicant will fully adopt standards of quality charter school authorizing in accordance with section 1.5 of this chapter.

(g) Not later than July 1 of each year, the state board shall grant or deny chartering authority to an applicant under subsection (f). The state board shall make its decision on the merits of each applicant's proposal and plans submitted under subsection (f).

(h) Within thirty (30) days of the state board's decision under



subsection (g), the state board shall execute a renewable authorizing contract with an applicant that the state board has approved for chartering authority. The initial term of each authorizing contract is six (6) years. The authorizing contract must specify each approved applicant's agreement to serve as a charter authorizer in accordance with this article and shall specify additional performance terms based on the applicant's proposal and plan for chartering. An approved applicant may not commence charter authorizing without an authorizing contract in effect.

(i) The state board shall maintain on the state board's Internet web site the names of each authorizer approved by the state board under this section.

SECTION 4. IC 20-24-2.2-1.5, AS ADDED BY P.L.280-2013, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 1.5. All ~~approved~~ authorizers shall adopt standards of quality charter school authorizing, as defined by a nationally recognized organization with expertise in charter school authorizing.

SECTION 5. IC 20-24-2.2-8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: **Sec. 8. Beginning in 2016, the state board shall provide a formal evaluation of the overall state of charter school outcomes in Indiana every five (5) years. The evaluation shall be posted on the state board's Internet web site.**

SECTION 6. IC 20-24-3-4, AS AMENDED BY P.L.280-2013, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 4. (a) An organizer may submit to the authorizer a proposal to establish a charter school.

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

- (1) Identification of the organizer.
- (2) A description of the organizer's organizational structure and governance plan.
- (3) The following information for the proposed charter school:
 - (A) Name.
 - (B) Purposes.
 - (C) Governance structure.
 - (D) Management structure.
 - (E) Educational mission goals.
 - (F) Curriculum and instructional methods.
 - (G) Methods of pupil assessment.
 - (H) Admission policy and criteria, subject to IC 20-24-5.



- (I) School calendar.
 - (J) Age or grade range of students to be enrolled.
 - (K) A description of staff responsibilities.
 - (L) A description of the physical plant.
 - (M) Budget and financial plans.
 - (N) Personnel plan, including methods for selection, retention, and compensation of employees.
 - (O) Transportation plan.
 - (P) Discipline program.
 - (Q) Plan for compliance with any applicable desegregation order.
 - (R) The date when the charter school is expected to:
 - (i) begin school operations; and
 - (ii) have students attending the charter school.
 - (S) The arrangement for providing teachers and other staff with health insurance, retirement benefits, liability insurance, and other benefits.
 - (T) Any other applications submitted to an authorizer in the previous five (5) years.
- (4) The manner in which the authorizer must conduct an annual audit of the program operations of the charter school.

(c) In the case of a charter school proposal from an applicant that currently operates one (1) or more charter schools in any state or nation, the request for proposals shall additionally require the applicant to provide evidence of past performance and current capacity for growth.

(d) If the proposal described in subsection (a) concerns an existing charter school overseen by a different authorizer than the authorizer to which the organizer is submitting the proposal, the proposal must include written acknowledgement of the proposal from the current authorizer. Additionally, the authorizer receiving the proposal shall consult with the current authorizer before granting approval of the proposal.

(e) This section does not waive, limit, or modify the provisions of:

- (1) IC 20-29 in a charter school where the teachers have chosen to organize under IC 20-29; or
- (2) an existing collective bargaining agreement for noncertificated employees (as defined in IC 20-29-2-11).

SECTION 7. IC 20-24-3-4.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: **Sec. 4.5. In reviewing and evaluating charter applications,**



an authorizer shall employ procedures, practices, and criteria consistent with nationally recognized principles and standards for quality charter authorizing. The application review process must include thorough evaluation of each written charter application and an in-person interview with the applicant group.

SECTION 8. IC 20-24-3-5.5, AS AMENDED BY P.L.280-2013, SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 5.5. (a) This section applies to an authorizer that is not the executive of a consolidated city.

(b) Before issuing a charter, the authorizer must conduct a public hearing concerning the establishment of the proposed charter school. **The public hearing must be held within either the county or the school corporation where the proposed charter school would be located.** 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.

SECTION 9. IC 20-24-5-5, AS AMENDED BY P.L.35-2014, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 5. (a) Except as provided in subsections (b), (c), **and** (d), **and** (e), 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. 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.

(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;
- (2) ensure that a student who attends a charter school during a school year may continue to attend a different charter school held by the same organizer in subsequent years; **and**
- (3) allow the siblings of a student who attends a charter school or a charter school held by the same organizer to attend the same charter school the student is attending; **and**



(4) allow preschool students who attend a Level 3 or Level 4 Paths to QUALITY program (as defined in IC 12-17.2-3.8-1) preschool to attend kindergarten at a charter school if the charter school and the preschool provider have entered into an agreement to share services or facilities.

(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 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).

(e) A charter school may give enrollment preference to children of the charter school's founders, governing body members, and charter school employees, as long as the enrollment preference under this subsection is not given to more than ten percent (10%) of the charter school's total population.

SECTION 10. IC 20-24-6-3, AS ADDED BY P.L.1-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 3. **(a)** Employees of a charter school may organize and bargain collectively under IC 20-29.

(b) This subsection applies to a conversion charter school. For any collective bargaining agreement under IC 20-29 entered into after July 1, 2015, a governing body is not bound by its collective bargaining agreement for employees of a conversion charter school. Employees of a conversion charter school may organize and collectively bargain only as a unit separate from other school employees under IC 20-29.

SECTION 11. IC 20-24-7-4, AS AMENDED BY P.L.47-2014, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 4. (a) Services that a school corporation provides to a charter school, including transportation, may be provided at not more than one hundred three percent (103%) of the actual cost of the services.

(b) This subsection applies to an authorizer that is a state educational institution described in IC 20-24-1-2.5(2). Except as provided in subsection (f), in a state fiscal year, a state educational institution may receive from the organizer of a charter school authorized 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 state fiscal 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 authorizes a charter school. Except as provided in subsection (f), in a state fiscal year, the executive may collect from the organizer of a charter school authorized by the executive an administrative fee equal to not more than three percent (3%) of the total amount the organizer receives during the state fiscal year for basic tuition support.

(d) This subsection applies to an authorizer that is a nonprofit college or university that is approved by the state board of education. Except as provided in **IC 20-24-2.2-1.5 and** subsection (f), in a state fiscal year, a private college or university may collect from the organizer of a charter school authorized 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 state fiscal year for basic tuition support.

(e) This subsection applies to the charter board. Except as provided in subsection (f), in a state fiscal year, the charter school board may collect from the organizer of a charter school authorized by the charter board an administrative fee equal to not more than three percent (3%) of the total amount the organizer receives during the state fiscal year for basic tuition support.

(f) This subsection applies to an adult high school. An authorizer described in subsections (b) through (e) may collect an administrative fee equal to not more than three percent (3%) of the total state appropriation to the adult high school for a state fiscal year under section 13.5 of this chapter.

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

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

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

(j) Not later than ninety (90) days after the end of each fiscal year,



each authorizer shall provide to each charter school it authorizes an itemized accounting of the actual costs of services purchased by the charter school from the authorizer. Any difference between the amount initially charged to the charter school and the actual cost shall be reconciled and paid to the owed party. If either party disputes the itemized accounting, any charges included in the accounting, or charges to either party, either party may request a review by the department. The requesting party shall pay the costs of the review.

SECTION 12. IC 20-24-8-5, AS AMENDED BY P.L.160-2012, SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 5. The following statutes and rules and guidelines adopted under the following statutes apply to a charter school:

- (1) IC 5-11-1-9 (required audits by the state board of accounts).
- (2) IC 20-39-1-1 (unified accounting system).
- (3) IC 20-35 (special education).
- (4) IC 20-26-5-10 (criminal history).
- (5) IC 20-26-5-6 (subject to laws requiring regulation by state agencies).
- (6) IC 20-28-10-12 (nondiscrimination for teacher marital status).
- (7) IC 20-28-10-14 (teacher freedom of association).
- (8) IC 20-28-10-17 (school counselor immunity).
- (9) For conversion charter schools only **if the conversion charter school elects to collectively bargain under IC 20-24-6-3(b)**, IC 20-28-6, IC 20-28-7.5, IC 20-28-8, IC 20-28-9, and IC 20-28-10.
- (10) IC 20-33-2 (compulsory school attendance).
- (11) IC 20-33-3 (limitations on employment of children).
- (12) IC 20-33-8-19, IC 20-33-8-21, and IC 20-33-8-22 (student due process and judicial review).
- (13) IC 20-33-8-16 (firearms and deadly weapons).
- (14) IC 20-34-3 (health and safety measures).
- (15) IC 20-33-9 (reporting of student violations of law).
- (16) IC 20-30-3-2 and IC 20-30-3-4 (patriotic commemorative observances).
- (17) IC 20-31-3, IC 20-32-4, IC 20-32-5, IC 20-32-8, and IC 20-32-8.5, as provided in IC 20-32-8.5-2(b) (academic standards, accreditation, assessment, and remediation).
- (18) IC 20-33-7 (parental access to education records).
- (19) IC 20-31 (accountability for school performance and improvement).
- (20) IC 20-30-5-19 (personal financial responsibility instruction).



Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Governor of the State of Indiana

Date: _____ Time: _____

HEA 1636 — Concur

