

SENATE BILL No. 212

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-19-3-23; IC 20-24; IC 20-24.5-3-5; IC 20-33-1-1.

Synopsis: Charter schools and prohibited discrimination. Provides that it is the public policy of the state to provide equal, nonsegregated, and nondiscriminatory education opportunities and facilities for all, regardless of sexual orientation, gender identity or expression, or marital status (in addition to race, creed, national origin, color, or sex under current law). Makes a similar change to a charter school provision concerning the suspension, expulsion, or requested transfer of a student and to an Indiana academy for science, mathematics, and humanities provision. Provides that a charter school may not discriminate against staff on the basis of disability, race, color, gender, gender identity or expression, sexual orientation, marital status, national origin, religion, or ancestry. Requires the department of education to provide staff to carry out the duties of the Indiana charter school board (charter board). Makes various changes to the charter school law, including the following: (1) Prohibiting an authorizer from: (A) authorizing a charter to an organizer if a charter school of the organizer has been closed within the past five years; or (B) accepting a proposal from an organizer that operates a charter school that does not meet certain school accountability grade thresholds. (2) Requiring certain authorizers that are not currently required to be approved for chartering authority to be approved for chartering authority before granting a new charter or renewing a charter. (3) Providing that an administrative fee for certain authorizers is dependent upon the category or designation that the charter school receives regarding its school accountability grade. (4) Prohibiting, under certain circumstances, a charter school from enrolling new students who are
(Continued next page)

Effective: Upon passage; July 1, 2021.

Yoder

January 7, 2021, read first time and referred to Committee on Education and Career Development.



Digest Continued

not currently enrolled in the charter school. (5) Requiring authorizers to be responsible for certain amounts owed by a charter school and to cosign for a loan from the common school fund before an organizer may obtain the loan. (6) Requiring each organizer and authorizer of a charter school to submit to the state board of education a surety bond or other form of financial guarantee and establishes consequences for an organizer or authorizer that fails to submit the bond or guarantee. Requires: (1) an authorizer to submit to the department of education a notice of a public hearing regarding the establishment of a proposed charter school; and (2) the department to post the notice on the department's Internet web site. Repeals a provision that provides that funding for the charter board consists of administrative fees.



Introduced

First Regular Session of the 122nd General Assembly (2021)

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 2020 Regular Session of the General Assembly.

SENATE BILL No. 212

A BILL FOR AN ACT to amend the Indiana Code concerning education.

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

1 SECTION 1. IC 20-19-3-23 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2021]: **Sec. 23. (a) The department shall post a notice of a public
4 hearing submitted to the department under IC 20-24-3-5.5 on the
5 department's Internet web site.**

6 **(b) The department may remove a notice described in
7 subsection (a) not earlier than the day after the date of the
8 applicable public hearing.**

9 SECTION 2. IC 20-24-2-2, AS ADDED BY P.L.1-2005, SECTION
10 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON
11 PASSAGE]: **Sec. 2. A charter school is subject to all federal and state
12 laws and constitutional provisions that prohibit discrimination on the
13 basis of the following:**

- 14 (1) Disability.
15 (2) Race.



- 1 (3) Color.
 2 (4) Gender.
 3 **(5) Gender identity or expression.**
 4 **(6) Sexual orientation.**
 5 **(7) Marital status.**
 6 ~~(5)~~ **(8) National origin.**
 7 ~~(6)~~ **(9) Religion.**
 8 ~~(7)~~ **(10) Ancestry.**

9 SECTION 3. IC 20-24-2.1-3, AS ADDED BY P.L.91-2011,
 10 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JULY 1, 2021]: Sec. 3. The department shall provide staff to carry out
 12 the duties of the charter board under this chapter. ~~until the time when~~
 13 ~~the charter board begins receiving administrative fees pursuant to~~
 14 ~~IC 20-24-7-4(c). At that time, the charter board may hire staff to carry~~
 15 ~~out the duties of the charter board under this chapter.~~

16 SECTION 4. IC 20-24-2.1-4 IS REPEALED [EFFECTIVE JULY
 17 1, 2021]. ~~Sec. 4. Funding for the charter board consists of~~
 18 ~~administrative fees collected under IC 20-24-7-4.~~

19 SECTION 5. IC 20-24-2.2-1.2, AS ADDED BY P.L.221-2015,
 20 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 JULY 1, 2021]: Sec. 1.2. (a) This section applies to an authorizer
 22 described in IC 20-24-1-2.5(1), IC 20-24-1-2.5(2), and
 23 IC 20-24-1-2.5(5). ~~if the authorizer has not previously issued a charter~~
 24 ~~for any charter school prior to July 1, 2015.~~

25 **(b) An authorizer described in subsection (a) that has not issued**
 26 **a charter for a charter school before July 1, 2015, must comply**
 27 **with this section. In addition, if an authorizer described in**
 28 **subsection (a) issued a charter before July 1, 2015, the authorizer**
 29 **must comply with this section before it may renew an existing**
 30 **charter or authorize a new charter for a charter school. If an**
 31 **authorizer described in subsection (a):**

- 32 **(1) issued a charter before July 1, 2015;**
 33 **(2) authorizes more than one (1) charter school; and**
 34 **(3) is denied charter authority by the state board when the**
 35 **authorizer applies to register for charter authority under this**
 36 **section;**

37 **the authorizer may complete the term of each current charter but**
 38 **may not subsequently renew the charter for any charter school or**
 39 **grant any new charters.**

40 ~~(b)~~ **(c) A governing body of a school corporation may register with**
 41 **the state board for charter authority within the attendance area of the**
 42 **school corporation. The state board shall post on the state board's**



1 Internet web site an application received from an authorizer to register
 2 with the state board under this section within ten (10) days after receipt
 3 of the application. The state board may not charge an authorizer a fee
 4 to register with the state board under this section.

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

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

15 (1) A written notification of intent to serve as a charter authorizer
 16 in accordance with this article.

17 (2) An explanation of the governing body's strategic vision for
 18 chartering.

19 (3) An explanation of the governing body's budget and personnel
 20 capacity and commitment to execute the duties of quality charter
 21 authorizing in accordance with this article.

22 (4) An explanation of how the governing body will solicit charter
 23 school applicants in accordance with IC 20-24-3.

24 (5) A description or outline of the performance framework the
 25 governing body will use to guide the establishment of a charter
 26 contract and for the oversight and evaluation of charter schools,
 27 consistent with this article.

28 (6) A draft of the governing body's renewal, revocation, and
 29 nonrenewal processes, consistent with this article.

30 (7) A statement of assurance that the governing body commits to
 31 serving as a charter authorizer in fulfillment of the expectations,
 32 spirit, and intent of this article, and that the governing body will
 33 fully adopt standards of quality charter school authorizing in
 34 accordance with section 1.5 of this chapter.

35 ~~(e)~~ **(f)** Within sixty (60) days of receipt of the information described
 36 in subsection ~~(d)~~, **(e)**, the state board shall register the governing body
 37 as a charter authorizer within the attendance area of the school
 38 corporation and shall provide the governing body a letter confirming
 39 the governing body's registration as a charter authorizer. A governing
 40 body may not engage in any charter authorizing functions without a
 41 current registration as a charter authorizer with the state board.

42 ~~(f)~~ **(g)** The state board shall establish an annual application and



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

9 (1) A written notification of intent to serve as a charter authorizer
 10 in accordance with this article.

11 (2) The applicant's strategic vision for chartering.

12 (3) A plan to support the applicant's strategic vision described in
 13 subdivision (2), including an explanation and evidence of the
 14 applicant's budget and personnel capacity and commitment to
 15 execute the duties of quality charter authorizing in accordance
 16 with this article.

17 (4) A draft or preliminary outline of the request for proposals that
 18 the applicant would, if approved by the state board under this
 19 section, issue to solicit charter school applicants under
 20 IC 20-24-3.

21 (5) A draft of the performance framework that the applicant
 22 would, if approved by the state board under this section, use to
 23 guide the establishment of a charter contract and for ongoing
 24 oversight and evaluation of charter schools consistent with this
 25 article.

26 (6) A draft of the applicant's renewal, revocation, and nonrenewal
 27 processes.

28 (7) A statement of assurance that the applicant commits to serving
 29 as a charter authorizer in fulfillment of the expectations, spirit,
 30 and intent of this article, and that the applicant will fully adopt
 31 standards of quality charter school authorizing in accordance with
 32 section 1.5 of this chapter.

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

37 ~~(h)~~ **(i)** Within thirty (30) days of the state board's decision under
 38 subsection ~~(g)~~: **(h)**, the state board shall execute a renewable
 39 authorizing contract with an applicant that the state board has approved
 40 for chartering authority. The initial term of each authorizing contract
 41 is six (6) years. The authorizing contract must specify each approved
 42 applicant's agreement to serve as a charter authorizer in accordance



1 with this article and shall specify additional performance terms based
 2 on the applicant's proposal and plan for chartering. An approved
 3 applicant may not commence charter authorizing without an
 4 authorizing contract in effect.

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

8 SECTION 6. IC 20-24-2.2-2.5, AS AMENDED BY P.L.211-2019,
 9 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 JULY 1, 2021]: Sec. 2.5. (a) If the state board grants a petition request
 11 under section 2 of this chapter, the state board shall:

12 (1) hold a hearing; and

13 (2) implement one (1) or more of the following actions:

14 (A) Require the implementation of a charter school
 15 improvement plan.

16 (B) Order the reduction of any administrative fee collected
 17 under IC 20-24-7-4 that is applicable to the charter school. The
 18 reduction must become effective at the beginning of the month
 19 following the month of the authorizer's hearing before the state
 20 board.

21 (C) Prohibit or limit the enrollment of new students in the
 22 charter school.

23 (D) Cancel the charter between the authorizer and organizer.

24 (E) Order the closure of the charter school at the end of the
 25 current school year.

26 ~~A charter school that is closed by the state board under this section may~~
 27 ~~not be granted a charter by any authorizer.~~

28 (b) In determining which action to implement under subsection
 29 (a)(2), the state board shall consider the following:

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

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

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

39 **(c) A charter school that is closed by the state board under this**
 40 **section may not be granted a charter by any authorizer.**

41 **(d) An organizer of a charter school that is closed by the state**
 42 **board under this section may not be granted a charter by any**



1 authorizer for five (5) years after the date that the charter school
2 is closed.

3 (e) Unless an agreement entered into or renewed before July 1,
4 2021, provides otherwise, an authorizer of a charter school that is
5 closed by the state board under this section is responsible for any
6 amounts owed for the following:

7 (1) Tuition support distributed to the charter school in excess
8 of the amount that the charter school was entitled to under
9 law.

10 (2) Any loans to the charter school from the common school
11 fund under IC 20-49 that are outstanding.

12 SECTION 7. IC 20-24-2.2-4, AS AMENDED BY P.L.159-2019,
13 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
14 JULY 1, 2021]: Sec. 4. If any authorizer:

15 (1) renews the charter of, fails to close, or grants a new charter to
16 a charter school that the state board has ordered closed under
17 section 2.5 of this chapter; or

18 (2) grants a charter in violation of section 2.5(d) of this
19 chapter;

20 the authorizer's authority to authorize new charter schools may be
21 suspended by the state board until such a time as the state board
22 formally approves the authorizer to authorize new charter schools. A
23 determination under this section to suspend an authorizer's authority to
24 authorize new charter schools must identify the deficiencies that, if
25 corrected, will result in the approval of the authorizer to authorize new
26 charter schools.

27 SECTION 8. IC 20-24-2.2-4.5 IS ADDED TO THE INDIANA
28 CODE AS A NEW SECTION TO READ AS FOLLOWS
29 [EFFECTIVE JULY 1, 2021]: Sec. 4.5. If an authorizer fails to
30 submit a surety bond or other form of financial guarantee as
31 required under IC 20-24-7-16, the authorizer's authority to
32 authorize new charter schools may be suspended by the state board
33 until such time that the authorizer submits the surety bond or
34 other form of financial guarantee.

35 SECTION 9. IC 20-24-3-2.3 IS ADDED TO THE INDIANA CODE
36 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
37 1, 2021]: Sec. 2.3. After June 30, 2021, an authorizer may not grant
38 a charter to an organizer under this article unless the organizer
39 and the authorizer submit the surety bond or other form of
40 financial guarantee required under IC 20-24-7-16.

41 SECTION 10. IC 20-24-3-5.5, AS AMENDED BY P.L.127-2016,
42 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JULY 1, 2021]: Sec. 5.5. (a) This section applies to an authorizer that
2 is not the executive of a consolidated city.

3 (b) Before issuing a charter, the authorizer must conduct a public
4 hearing concerning the establishment of the proposed charter school.
5 The public hearing must be held within the school corporation where
6 the proposed charter school would be located. If the location of the
7 proposed charter school has not been identified, the public hearing
8 must be held within the county where the proposed charter school
9 would be located. At the public hearing, the governing body of the
10 school corporation in which the proposed charter school will be located
11 must be given an opportunity to comment on the effect of the proposed
12 charter school on the school corporation, including any foreseen
13 negative impacts on the school corporation.

14 **(c) In addition to any other applicable notice requirements**
15 **under law, an authorizer shall, at least fourteen (14) calendar days**
16 **before the date of a public hearing under subsection (b), submit a**
17 **notice of the public hearing to the department.**

18 SECTION 11. IC 20-24-3-10.5 IS ADDED TO THE INDIANA
19 CODE AS A NEW SECTION TO READ AS FOLLOWS
20 [EFFECTIVE JULY 1, 2021]: **Sec. 10.5. An authorizer may not**
21 **accept a proposal to establish a charter school from an organizer**
22 **that already operates a charter school in Indiana if a charter**
23 **school that the organizer operates has been placed in either of the**
24 **lowest two (2) categories or designations under IC 20-31-8-4 for the**
25 **immediately preceding two (2) consecutive years.**

26 SECTION 12. IC 20-24-4-1, AS AMENDED BY P.L.211-2019,
27 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
28 JULY 1, 2021]: Sec. 1. (a) A charter must meet the following
29 requirements:

- 30 (1) Be a written instrument.
31 (2) Be executed by an authorizer and an organizer.
32 (3) Confer certain rights, franchises, privileges, and obligations
33 on a charter school.
34 (4) Confirm the status of a charter school as a public school.
35 (5) Subject to subdivisions (6)(E) and (17), be granted for:
36 (A) not less than three (3) years or more than seven (7) years;
37 and
38 (B) a fixed number of years agreed to by the authorizer and the
39 organizer.
40 (6) Provide for the following:
41 (A) A review by the authorizer of the charter school's
42 performance, including the progress of the charter school in



- 1 achieving the academic goals set forth in the charter, at least
 2 one (1) time in each five (5) year period while the charter is in
 3 effect.
 4 (B) Renewal, if the authorizer and the organizer agree to renew
 5 the charter.
 6 (C) The renewal application must include guidance from the
 7 authorizer, and the guidance must include the performance
 8 criteria that will guide the authorizer's renewal decisions.
 9 (D) The renewal application process must, at a minimum,
 10 provide an opportunity for the charter school to:
 11 (i) present additional evidence, beyond the data contained in
 12 the performance report, supporting its case for charter
 13 renewal;
 14 (ii) describe improvements undertaken or planned for the
 15 charter school; and
 16 (iii) detail the charter school's plans for the next charter
 17 term.
 18 (E) Not later than the end of the calendar year in which the
 19 charter school seeks renewal of a charter, the governing board
 20 of a charter school seeking renewal shall submit a renewal
 21 application to the charter authorizer under the renewal
 22 application guidance issued by the authorizer. The authorizer
 23 shall make a final ruling on the renewal application not later
 24 than April 1 after the filing of the renewal application. A
 25 renewal granted under this clause is not subject to the three (3)
 26 year minimum described in subdivision (5). The April 1
 27 deadline does not apply to any review or appeal of a final
 28 ruling. After the final ruling is issued, the charter school may
 29 obtain further review by the authorizer of the authorizer's final
 30 ruling in accordance with the terms of the charter school's
 31 charter and the protocols of the authorizer.
 32 (7) Specify the grounds for the authorizer to:
 33 (A) revoke the charter before the end of the term for which the
 34 charter is granted; or
 35 (B) not renew a charter.
 36 (8) Set forth the methods by which the charter school will be held
 37 accountable for achieving the educational mission and goals of
 38 the charter school, including the following:
 39 (A) Evidence of improvement in:
 40 (i) assessment measures, including the statewide assessment
 41 program measures;
 42 (ii) attendance rates;



- 1 (iii) graduation rates (if appropriate);
 2 (iv) increased numbers of Indiana diplomas with a Core 40
 3 designation and other college and career ready indicators
 4 including advanced placement participation and passage,
 5 dual credit participation and passage, and International
 6 Baccalaureate participation and passage (if appropriate);
 7 (v) increased numbers of Indiana diplomas with Core 40
 8 with academic honors and technical honors designations (if
 9 appropriate);
 10 (vi) student academic growth;
 11 (vii) financial performance and stability; and
 12 (viii) governing board performance and stewardship,
 13 including compliance with applicable laws, rules and
 14 regulations, and charter terms.
 15 (B) Evidence of progress toward reaching the educational
 16 goals set by the organizer.
 17 (9) Describe the method to be used to monitor the charter
 18 school's:
 19 (A) compliance with applicable law; and
 20 (B) performance in meeting targeted educational performance.
 21 (10) Specify that the authorizer and the organizer may amend the
 22 charter during the term of the charter by mutual consent and
 23 describe the process for amending the charter.
 24 (11) Describe specific operating requirements, including all the
 25 matters set forth in the application for the charter.
 26 (12) Specify a date when the charter school will:
 27 (A) begin school operations; and
 28 (B) have students attending the charter school.
 29 (13) Specify that records of a charter school relating to the
 30 school's operation and charter are subject to inspection and
 31 copying to the same extent that records of a public school are
 32 subject to inspection and copying under IC 5-14-3.
 33 (14) Specify that records provided by the charter school to the
 34 department or authorizer that relate to compliance by the
 35 organizer with the terms of the charter or applicable state or
 36 federal laws are subject to inspection and copying in accordance
 37 with IC 5-14-3.
 38 (15) Specify that the charter school is subject to the requirements
 39 of IC 5-14-1.5.
 40 (16) This subdivision applies to a charter established or renewed
 41 for an adult high school after June 30, 2014. The charter must
 42 require:



- 1 (A) that the school will offer flexible scheduling;
 2 (B) that students will not complete the majority of instruction
 3 of the school's curriculum online or through remote
 4 instruction;
 5 (C) that the school will offer dual credit or industry
 6 certification course work that aligns with career pathways as
 7 recommended by the Indiana career council established by
 8 IC 22-4.5-9-3; and
 9 (D) a plan:
 10 (i) to support successful program completion and to assist
 11 transition of graduates to the workforce or to a
 12 postsecondary education upon receiving a diploma from the
 13 adult high school; and
 14 (ii) to review individual student accomplishments and
 15 success after a student receives a diploma from the adult
 16 high school.
- 17 (17) This subdivision applies to a charter between an authorizer
 18 and an organizer of a charter school granted or renewed after June
 19 30, 2019. The charter must require that:
 20 (A) a charter school comply with actions implemented by the
 21 state board under IC 20-24-2.2-2.5; and
 22 (B) if the state board implements closure of the charter school
 23 under IC 20-24-2.2-2.5, the charter is revoked at the time the
 24 charter school closes.
- 25 **(18) This subdivision applies to a charter between an**
 26 **authorizer and an organizer of a charter school granted or**
 27 **renewed after June 30, 2021. The charter must require the**
 28 **following:**
 29 **(A) If the charter school is placed in either of the lowest**
 30 **two (2) categories or designations under IC 20-31-8-4 for**
 31 **two (2) consecutive years, the charter school may not**
 32 **accept new students who are not currently enrolled at the**
 33 **charter school for one (1) year.**
 34 **(B) If the charter school is placed in either of the lowest**
 35 **two (2) categories or designations under IC 20-31-8-4 for**
 36 **three (3) consecutive years, the charter school may not**
 37 **accept new students who are not currently enrolled at the**
 38 **charter school until the charter school is placed in the**
 39 **middle category or designation, or higher, for two (2)**
 40 **consecutive years.**
 41 **(C) If the charter school is placed in the lowest category or**
 42 **designation under IC 20-31-8-4 for three (3) consecutive**



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years, the charter school may not accept new students who are not currently enrolled at the charter school until the charter school is placed in the middle category or designation, or higher, for three (3) consecutive years.

This subdivision may not be construed to prevent a student currently enrolled at the charter school from continuing to attend the charter school.

(19) This subdivision applies to a charter between an authorizer and an organizer of a charter school granted or renewed after June 30, 2021. The charter must require that the organizer seek approval from the authorizer before the organizer requests an advance from the common school fund under IC 20-49.

(20) This subdivision applies to a charter established or renewed after June 30, 2021. The charter must include a provision specifying that the school will not discriminate against staff members, including contractors, on the basis of the following:

- (A) Disability.
- (B) Race.
- (C) Color.
- (D) Gender.
- (E) Gender identity or expression.
- (F) Sexual orientation.
- (G) Marital status.
- (H) National origin.
- (I) Religion.
- (J) Ancestry.

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

SECTION 13. IC 20-24-4-4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: **Sec. 4. An authorizer may not renew the charter of a charter school unless the organizer of the charter school provides evidence to the authorizer that the organizer has submitted the surety bond or other form of financial guarantee as required under IC 20-24-7-16.**

SECTION 14. IC 20-24-5-5, AS AMENDED BY P.L.270-2019, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 5. (a) Except as provided in subsections (b),**



1 (c), (d), (e), and (f) and section 4.5 of this chapter, a charter school
2 must enroll any eligible student who submits a timely application for
3 enrollment.

4 (b) This subsection applies if the number of applications for a
5 program, class, grade level, or building exceeds the capacity of the
6 program, class, grade level, or building. If a charter school receives a
7 greater number of applications than there are spaces for students, each
8 timely applicant must be given an equal chance of admission. The
9 organizer must determine which of the applicants will be admitted to
10 the charter school or the program, class, grade level, or building by
11 random drawing in a public meeting, with each timely applicant limited
12 to one (1) entry in the drawing. However, the organizer of a charter
13 school located in a county with a consolidated city shall determine
14 which of the applicants will be admitted to the charter school or the
15 program, class, grade level, or building by using a publicly verifiable
16 random selection process.

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

- 19 (1) ensure that a student who attends the charter school during a
20 school year may continue to attend the charter school in
21 subsequent years;
- 22 (2) ensure that a student who attends a charter school during a
23 school year may continue to attend a different charter school held
24 by the same organizer in subsequent years;
- 25 (3) allow the siblings of a student alumnus or a current student
26 who attends a charter school or a charter school held by the same
27 organizer to attend the same charter school the student is
28 attending or the student alumnus attended;
- 29 (4) allow preschool students who attend a Level 3 or Level 4
30 Paths to QUALITY program preschool to attend kindergarten at
31 a charter school if the charter school and the preschool provider
32 have entered into an agreement to share services or facilities;
- 33 (5) allow each student who qualifies for free or reduced price
34 lunch under the national school lunch program to receive
35 preference for admission to a charter school if the preference is
36 specifically provided for in the charter school's charter and is
37 approved by the authorizer; and
- 38 (6) allow each student who attends a charter school that is
39 co-located with the charter school to receive preference for
40 admission to the charter school if the preference is specifically
41 provided for in the charter school's charter and is approved by the
42 charter school's authorizer.



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

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

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

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

13 (f) A charter school may not suspend or expel a charter school
 14 student or otherwise request a charter school student to transfer to
 15 another school on the basis of the following:

16 (1) Disability.

17 (2) Race.

18 (3) Color.

19 (4) Gender.

20 **(5) Gender identity or expression.**

21 **(6) Sexual orientation.**

22 **(7) Marital status.**

23 ~~(8)~~ **(8)** National origin.

24 ~~(9)~~ **(9)** Religion.

25 ~~(10)~~ **(10)** Ancestry.

26 A charter school student may be expelled or suspended only in a
 27 manner consistent with discipline rules established under IC 20-24-5.5.

28 SECTION 15. IC 20-24-7-1, AS AMENDED BY P.L.218-2015,
 29 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 JULY 1, 2021]: Sec. 1. (a) The organizer is the fiscal agent for the
 31 charter school.

32 (b) **Except as provided under section 5.5 of this chapter,** the
 33 organizer has exclusive control of:

34 (1) funds received by the charter school; and

35 (2) financial matters of the charter school.

36 (c) The organizer shall maintain accounts of all funds received and
 37 disbursed by the organizer. The organizer shall maintain separate
 38 accountings of all funds received and disbursed by each charter school
 39 it holds.

40 (d) Notwithstanding IC 20-43, an organizer that operates more than
 41 one (1) charter school may file, before July 1 of each year, a notice with
 42 the department that the organizer desires to receive the tuition support



1 distributions, and in the case of an adult high school (as defined in
 2 IC 20-24-1-2.3), funding provided in the state biennial budget for adult
 3 high schools, for all the charter schools the organizer operates. After
 4 the organizer's authorizer or authorizers verify to the department that
 5 the organizer operates the charter schools, the department shall
 6 distribute the tuition support, and in the case of an adult high school (as
 7 defined in IC 20-24-1-2.3), funding provided in the state biennial
 8 budget for adult high schools, for the verified charter schools to the
 9 organizer. The organizer may distribute the tuition support distribution
 10 it receives to each charter school it operates in the amounts determined
 11 by the organizer. However, an organizer that receives money from the
 12 state under this subsection may not use any of the money received for
 13 expenses incurred outside Indiana that are not directly related to the
 14 charter school the organizer operates in Indiana.

15 (e) Organizers receiving tuition support under this section may
 16 submit a consolidated audit in accordance with guidelines established
 17 by the state examiner and submit any required financial reporting to the
 18 department in a manner prescribed by the state examiner. The state
 19 examiner shall establish guidelines and prescribe reporting
 20 requirements for organizers under this section that are consistent with
 21 generally accepted accounting principles (GAAP) and the needs of the
 22 department.

23 SECTION 16. IC 20-24-7-4, AS AMENDED BY P.L.221-2015,
 24 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 JULY 1, 2021]: Sec. 4. (a) Services that a school corporation provides
 26 to a charter school, including transportation, may be provided at not
 27 more than one hundred three percent (103%) of the actual cost of the
 28 services.

29 (b) This subsection applies to an authorizer that is a state
 30 educational institution described in IC 20-24-1-2.5(2). Except as
 31 provided in subsection (f), in a state fiscal year, a state educational
 32 institution may receive from the organizer of a charter school **that is**
 33 **placed in the highest or second highest category or designation**
 34 **under IC 20-31-8-4 and** authorized by the state educational institution
 35 an administrative fee equal to not more than three percent (3%) of the
 36 total amount the organizer receives during the state fiscal year from
 37 basic tuition support (as defined in IC 20-43-1-8). **The authorizer of**
 38 **a charter school described in this subsection that is placed:**

39 **(1) in the third highest category or designation under**
 40 **IC 20-31-8-4 may receive an administrative fee equal to not**
 41 **more than two percent (2%); and**

42 **(2) in the fourth highest category or designation under**



1 **IC 20-31-8-4 may receive an administrative fee equal to not**
 2 **more than one percent (1%);**
 3 **of the total amount the organizer receives during the state fiscal**
 4 **year from basic tuition support. The authorizer of a charter school**
 5 **described in this subsection that is placed in the lowest category or**
 6 **designation of school improvement under IC 20-31-8-4 is not**
 7 **entitled to receive an administrative fee during the state fiscal year**
 8 **from basic tuition support, and the organizer must reallocate the**
 9 **amount of the fees that would have been paid if the charter school**
 10 **had been placed in the highest category or designation under**
 11 **IC 20-31-8-4 toward classroom expenditures. The organizer must**
 12 **demonstrate compliance with this subsection to the department. If**
 13 **the organizer does not demonstrate compliance, the department**
 14 **shall withhold from the organizer the state tuition support and**
 15 **federal funds that would otherwise be distributed to the organizer**
 16 **for the charter school during the next state fiscal year.**

17 (c) This subsection applies to the executive of a consolidated city
 18 that authorizes a charter school. Except as provided in subsection (f),
 19 in a state fiscal year, the executive may collect from the organizer of a
 20 charter school **that is placed in the highest or second highest**
 21 **category or designation under IC 20-31-8 and** authorized by the
 22 executive an administrative fee equal to not more than three percent
 23 (3%) of the total amount the organizer receives during the state fiscal
 24 year for basic tuition support. **The authorizer of a charter school**
 25 **described in this subsection that is placed:**

26 **(1) in the third highest category or designation under**
 27 **IC 20-31-8-4 may receive an administrative fee equal to not**
 28 **more than two percent (2%); and**

29 **(2) in the fourth highest category or designation under**
 30 **IC 20-31-8-4 may receive an administrative fee equal to not**
 31 **more than one percent (1%);**

32 **of the total amount the organizer receives during the state fiscal**
 33 **year from basic tuition support. The authorizer of a charter school**
 34 **described in this subsection that is placed in the lowest category or**
 35 **designation of school improvement under IC 20-31-8-4 is not**
 36 **entitled to receive an administrative fee during the state fiscal year**
 37 **from basic tuition support, and the organizer must reallocate the**
 38 **amount of the fees that would have been paid if the charter school**
 39 **had been placed in the highest category or designation under**
 40 **IC 20-31-8-4 toward classroom expenditures. The organizer must**
 41 **demonstrate compliance with this subsection to the department. If**
 42 **the organizer does not demonstrate compliance, the department**



1 shall withhold from the organizer the state tuition support and
 2 federal funds that would otherwise be distributed to the organizer
 3 for the charter school during the next state fiscal year.

4 (d) This subsection applies to an authorizer that is a nonprofit
 5 college or university that is approved by the state board of education.
 6 Except as provided in IC 20-24-2.2-1.5 and subsection (f), in a state
 7 fiscal year, a private college or university may collect from the
 8 organizer of a charter school **that is placed in the highest or second**
 9 **highest category or designation under IC 20-31-8** and authorized by
 10 the private college or university an administrative fee equal to not more
 11 than three percent (3%) of the total amount the organizer receives
 12 during the state fiscal year for basic tuition support. **The authorizer of**
 13 **a charter school described in this subsection that is placed:**

14 (1) **in the third highest category or designation under**
 15 **IC 20-31-8-4 may receive an administrative fee equal to not**
 16 **more than two percent (2%); and**

17 (2) **in the fourth highest category or designation under**
 18 **IC 20-31-8-4 may receive an administrative fee equal to not**
 19 **more than one percent (1%);**

20 **of the total amount the organizer receives during the state fiscal**
 21 **year from basic tuition support. The authorizer of a charter school**
 22 **described in this subsection that is placed in the lowest category or**
 23 **designation of school improvement under IC 20-31-8-4 is not**
 24 **entitled to receive an administrative fee during the state fiscal year**
 25 **from basic tuition support, and the organizer must reallocate the**
 26 **amount of the fees that would have been paid if the charter school**
 27 **had been placed in the highest category or designation under**
 28 **IC 20-31-8-4 toward classroom expenditures. The organizer must**
 29 **demonstrate compliance with this subsection to the department. If**
 30 **the organizer does not demonstrate compliance, the department**
 31 **shall withhold from the organizer the state tuition support and**
 32 **federal funds that would otherwise be distributed to the organizer**
 33 **for the charter school during the next state fiscal year.**

34 (e) This subsection applies to the charter board. Except as provided
 35 in subsection (f), in a state fiscal year, the charter school board may
 36 collect from the organizer of a charter school **that is placed in the**
 37 **highest or second highest category or designation under IC 20-31-8**
 38 **and** authorized by the charter board an administrative fee equal to not
 39 more than three percent (3%) of the total amount the organizer receives
 40 during the state fiscal year for basic tuition support. **The authorizer of**
 41 **a charter school described in this subsection that is placed:**

42 (1) **in the third highest category or designation under**



1 **IC 20-31-8-4 may receive an administrative fee equal to not**
 2 **more than two percent (2%); and**

3 **(2) in the fourth highest category or designation under**
 4 **IC 20-31-8-4 may receive an administrative fee equal to not**
 5 **more than one percent (1%);**

6 **of the total amount the organizer receives during the state fiscal**
 7 **year from basic tuition support. The authorizer of a charter school**
 8 **described in this subsection that is placed in the lowest category or**
 9 **designation of school improvement under IC 20-31-8-4 is not**
 10 **entitled to receive an administrative fee during the state fiscal year**
 11 **from basic tuition support, and the organizer must reallocate the**
 12 **amount of the fees that would have been paid if the charter school**
 13 **had been placed in the highest category or designation under**
 14 **IC 20-31-8-4 toward classroom expenditures. The organizer must**
 15 **demonstrate compliance with this subsection to the department. If**
 16 **the organizer does not demonstrate compliance, the department**
 17 **shall withhold from the organizer the state tuition support and**
 18 **federal funds that would otherwise be distributed to the organizer**
 19 **for the charter school during the next state fiscal year.**

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

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

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

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

41 (j) Not later than ninety (90) days after the end of each fiscal year,
 42 each authorizer shall provide to each charter school it authorizes an



1 itemized accounting of the actual costs of services purchased by the
 2 charter school from the authorizer. Any difference between the amount
 3 initially charged to the charter school and the actual cost shall be
 4 reconciled and paid to the owed party. If either party disputes the
 5 itemized accounting, any charges included in the accounting, or
 6 charges to either party, either party may request a review by the
 7 department. The requesting party shall pay the costs of the review.

8 SECTION 17. IC 20-24-7-5, AS ADDED BY P.L.1-2005,
 9 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 JULY 1, 2021]: Sec. 5. (a) **Except as provided under section 5.5 of**
 11 **this chapter**, an organizer may apply for and accept for a charter
 12 school:

- 13 (1) independent financial grants; and
 14 (2) funds from public or private sources other than the
 15 department.

16 (b) An organizer shall make all applications, enter into all contracts,
 17 and sign all documents necessary for the receipt by a charter school of
 18 aid, money, or property from the federal government.

19 SECTION 18. IC 20-24-7-5.5 IS ADDED TO THE INDIANA
 20 CODE AS A NEW SECTION TO READ AS FOLLOWS
 21 [EFFECTIVE JULY 1, 2021]: **Sec. 5.5. An organizer of a charter**
 22 **school may not obtain an advance from the common school fund**
 23 **under IC 20-49 for a charter school unless the authorizer of the**
 24 **charter school cosigns on the advance.**

25 SECTION 19. IC 20-24-7-16 IS ADDED TO THE INDIANA
 26 CODE AS A NEW SECTION TO READ AS FOLLOWS
 27 [EFFECTIVE JULY 1, 2021]: **Sec. 16. (a) Not later than October 1,**
 28 **2021, each organizer operating a charter school in Indiana on July**
 29 **1, 2021, shall submit to the state board a surety bond or other form**
 30 **of financial guarantee, as approved by the state board, in an**
 31 **amount determined under subsection (d) for each charter school**
 32 **which the organizer is operating in Indiana on July 1, 2021.**

33 (b) **Not later than October 1, 2021, each authorizer that granted**
 34 **a charter to an organizer of a charter school before July 1, 2021,**
 35 **shall submit to the state board a surety bond or other form of**
 36 **financial guarantee, as approved by the state board, in an amount**
 37 **determined under subsection (d) for each charter school authorized**
 38 **by the authorizer that is operating on July 1, 2021.**

39 (c) **Each organizer and authorizer that enters into a charter for**
 40 **a charter school after June 30, 2021, shall submit to the state board**
 41 **a surety bond or other form of financial guarantee, as approved by**
 42 **the state board, in the amount determined under subsection (e)**



1 before the organizer and authorizer enter into a charter for the
 2 charter school. Both an organizer and an authorizer of a charter
 3 school must submit separate surety bonds or other forms of
 4 financial guarantee with each surety bond or other form of
 5 financial guarantee being in the full amount determined under
 6 subsection (e).

7 (d) The amount of a surety bond or other form of financial
 8 guarantee for an organizer and an authorizer of a charter school
 9 described in subsections (a) and (b) must be an amount that equals
 10 the amount of tuition support that the charter school received for
 11 the immediately preceding school year multiplied by ten percent
 12 (10%).

13 (e) The amount of a surety bond or other form of financial
 14 guarantee for an organizer and for an authorizer of a charter
 15 school described in subsection (c) must be an amount that equals
 16 the estimated tuition support that the charter school will receive in
 17 its first year of operation multiplied by ten percent (10%).

18 (f) This subsection applies to organizers and authorizers of
 19 charter schools described in subsections (a), (b), and (c). The
 20 amount of a surety bond or other form of financial guarantee must
 21 be adjusted, as needed, every three (3) years that a charter school
 22 is in operation to equal the amount determined under subsection
 23 (d) for the charter school. An organizer or authorizer may be
 24 required to increase the amount of the surety bond or other
 25 financial guarantee, as determined by the state board, if the state
 26 board determines that the surety bond or other financial guarantee
 27 should be increased under this subsection.

28 SECTION 20. IC 20-24-7-17 IS ADDED TO THE INDIANA
 29 CODE AS A NEW SECTION TO READ AS FOLLOWS
 30 [EFFECTIVE JULY 1, 2021]: Sec. 17. (a) A surety bond or other
 31 financial guarantee under section 16 of this chapter must be
 32 conditioned upon the charter school faithfully providing accurate
 33 average daily enrollment information to the department under
 34 IC 20-43-4, as determined by the department. If the state board
 35 determines that a charter school has received more state tuition
 36 support than the charter school is entitled to under IC 20-43 or has
 37 misrepresented or fraudulently reported average daily enrollment
 38 to the department, the department may make a claim against the
 39 surety bond or financial guarantee of both the organizer and the
 40 authorizer.

41 (b) Each organizer and authorizer of a charter school shall
 42 annually file information with the state board that evidences the



1 **continuation of the organizer's and the authorizer's surety bond or**
 2 **other financial guarantee for each charter school operated by the**
 3 **organizer or authorized by the authorizer in Indiana.**

4 **(c) If:**

- 5 **(1) an organizer or authorizer submits a surety bond; and**
 6 **(2) the total claims filed against a surety bond exceed the**
 7 **amount of the surety bond;**

8 **the surety shall pay the amount of the surety bond to the**
 9 **department to recoup any amounts owed to the state.**

10 SECTION 21. IC 20-24.5-3-5, AS ADDED BY P.L.2-2007,
 11 SECTION 209, IS AMENDED TO READ AS FOLLOWS
 12 [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) A student who applies for
 13 admission to the academy must:

- 14 (1) be eligible to attend a public school in Indiana;
 15 (2) demonstrate exceptional intellectual ability; and
 16 (3) demonstrate a commitment to scholarship.

17 (b) A student shall be admitted without regard to sex, **sexual**
 18 **orientation, gender identity or expression, marital status**, race,
 19 religion, creed, national origin, or household income.

20 SECTION 22. IC 20-33-1-1, AS AMENDED BY P.L.3-2008,
 21 SECTION 118, IS AMENDED TO READ AS FOLLOWS
 22 [EFFECTIVE UPON PASSAGE]: Sec. 1. The following is the public
 23 policy of the state:

24 (1) To provide:

- 25 (A) equal;
 26 (B) nonsegregated; and
 27 (C) nondiscriminatory;

28 educational opportunities and facilities for all, regardless of race,
 29 creed, national origin, color, or sex, **sexual orientation, gender**
 30 **identity or expression, or marital status.**

31 (2) To provide and furnish public schools open equally to all, and
 32 prohibited and denied to none because of race, creed, color, **sex,**
 33 **sexual orientation, gender identity or expression, marital**
 34 **status**, or national origin.

35 (3) To reaffirm the principles of:

- 36 (A) the Bill of Rights;
 37 (B) civil rights; and
 38 (C) the Constitution of the State of Indiana.

39 (4) To provide a uniform democratic system of public school
 40 education to the state and the citizens of Indiana.

41 (5) To:

- 42 (A) abolish;



1 (B) eliminate; and
2 (C) prohibit;
3 segregated and separate schools or school districts on the basis of
4 race, creed, or color.
5 (6) To eliminate and prohibit:
6 (A) segregation;
7 (B) separation; and
8 (C) discrimination;
9 on the basis of race, creed, or color in public schools.
10 **SECTION 23. An emergency is declared for this act.**

