
SENATE BILL No. 548

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-20-13-3; IC 20-24; IC 20-26-7-1; IC 20-35-4-9; IC 20-43.

Synopsis: Charter schools. Provides that a charter school may receive technology funds. Allows the employees of a charter school to participate in a private pension or retirement benefit program. Requires the department of education to report to the department of local government finance the amount of transportation levies for school corporations in which students attending a charter school have legal settlement, if the sponsor of the charter school requires transportation to be provided for the students. Provides that a charter school may receive a grant for the operational expenses of the first semester the charter school is in operation. Prohibits a school corporation from making a covenant that unneeded real property may not be sold to another educational institution. Provides that a charter school may provide special education services for a preschool child with a disability in the same manner as other public schools. Provides that the target revenue per ADM used in funding for a charter school sponsored by the executive of a consolidated city is the highest target revenue per ADM for a school corporation located in the county.

Effective: July 1, 2007; January 1, 2008.

Lubbers

January 23, 2007, read first time and referred to Committee on Education and Career Development.

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First Regular Session 115th General Assembly (2007)

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 2006 Regular Session of the General Assembly.

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SENATE BILL No. 548



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 20-20-13-3, AS ADDED BY P.L.218-2005,
2 SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2007]: Sec. 3. As used in sections 13 through 24 of this
4 chapter, "school corporation" includes, except as otherwise provided
5 in this chapter, the Indiana School for the Blind and Visually Impaired
6 established by IC 20-21-2-1, ~~and~~ the Indiana School for the Deaf
7 established by IC 20-22-2-1, **and a charter school established under**
8 **IC 20-24.**

9 SECTION 2. IC 20-24-6-7, AS AMENDED BY P.L.2-2006,
10 SECTION 105, IS AMENDED TO READ AS FOLLOWS
11 [EFFECTIVE JULY 1, 2007]: Sec. 7. (a) A charter school ~~shall~~ **may**
12 participate in **any of** the following:

- 13 (1) The Indiana state teachers' retirement fund in accordance with
- 14 IC 5-10.4.
- 15 (2) The public employees' retirement fund in accordance with
- 16 IC 5-10.3.
- 17 (3) **Another employee pension or retirement fund.**



1 (b) **Except as provided in subsection (e)**, a person who teaches in
2 a charter school is a member of the Indiana state teachers' retirement
3 fund. Service in a charter school is creditable service for purposes of
4 IC 5-10.4.

5 (c) **Except as provided in subsection (e)**, a person who:
6 (1) is a local school employee of a charter school; and
7 (2) is not eligible to participate in the Indiana state teachers'
8 retirement fund;
9 is a member of the public employees' retirement fund.

10 (d) The boards of the Indiana state teachers' retirement fund and the
11 public employees' retirement fund shall implement this section through
12 the organizer of the charter school, subject to and conditioned upon
13 receiving any approvals either board considers appropriate from the
14 Internal Revenue Service and the United States Department of Labor.

15 (e) **Charter school employees may participate in a private
16 pension or retirement program, if the organizer of the charter
17 school offers the opportunity to participate in the program.**

18 SECTION 3. IC 20-24-7-2, AS AMENDED BY P.L.2-2006,
19 SECTION 106, IS AMENDED TO READ AS FOLLOWS
20 [EFFECTIVE JULY 1, 2007]: Sec. 2. (a) Not later than the date
21 established by the department for determining ADM, and after May 31
22 each year, the organizer shall submit to the department the following
23 information on a form prescribed by the department:

- 24 (1) The number of students enrolled in the charter school.
- 25 (2) The name and address of each student.
- 26 (3) The name of the school corporation in which the student has
27 legal settlement.
- 28 (4) The name of the school corporation, if any, that the student
29 attended during the immediately preceding school year.
- 30 (5) The grade level in which the student will enroll in the charter
31 school.

32 The department shall verify the accuracy of the information reported.

33 (b) This subsection applies after December 31 of the calendar year
34 in which a charter school begins its initial operation. The department
35 shall distribute to the organizer the state tuition support distribution.
36 The department shall make a distribution under this subsection at the
37 same time and in the same manner as the department makes a
38 distribution of state tuition support under IC 20-43-2 to other school
39 corporations.

40 (c) The department shall provide to the department of local
41 government finance the following information:

- 42 (1) For each county, the number of students who:

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- 1 (A) have legal settlement in the county; and
- 2 (B) attend a charter school.
- 3 (2) The school corporation in which each student described in
- 4 subdivision (1) has legal settlement.
- 5 (3) The charter school that a student described in subdivision (1)
- 6 attends and the county in which the charter school is located.
- 7 (4) The amount of the tuition support levy determined under
- 8 IC 20-45-3-11 **and the transportation levies determined under**
- 9 **IC 20-46-4 and IC 20-46-5, if the sponsor requires the charter**
- 10 **school to provide transportation**, for each school corporation
- 11 described in subdivision (2).
- 12 (5) The amount determined under STEP TWO of the following
- 13 formula:
- 14 STEP ONE: Determine the product of:
- 15 (A) the target revenue per ADM (as defined in
- 16 IC 20-43-1-26) determined for a charter school described in
- 17 subdivision (3); multiplied by
- 18 (B) thirty-five hundredths (0.35).
- 19 STEP TWO: Determine the product of:
- 20 (A) the STEP ONE amount; multiplied by
- 21 (B) the current ADM of a charter school described in
- 22 subdivision (3).
- 23 (6) The amount determined under STEP THREE of the following
- 24 formula:
- 25 STEP ONE: Determine the number of students described in
- 26 subdivision (1) who:
- 27 (A) attend the same charter school; and
- 28 (B) have legal settlement in the same school corporation
- 29 located in the county.
- 30 STEP TWO: Determine the subdivision (5) STEP ONE
- 31 amount for a charter school described in STEP ONE (A).
- 32 STEP THREE: Determine the product of:
- 33 (A) the STEP ONE amount; multiplied by
- 34 (B) the STEP TWO amount.
- 35 SECTION 4. IC 20-24-12 IS ADDED TO THE INDIANA CODE
- 36 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
- 37 JULY 1, 2007]:
- 38 **Chapter 12. Charter School Grant Account**
- 39 **Sec. 1. As used in this chapter, "account" refers to the charter**
- 40 **school grant account established within the state general fund**
- 41 **under section 5 of this chapter.**
- 42 **Sec. 2. As used in this chapter, "charter school" refers to a**

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school established under this article.

Sec. 3. As used in this chapter, "grant" refers to a grant from the account under this chapter.

Sec. 4. As used in this chapter, "operational costs" means costs (other than construction costs) incurred by a charter school (other than a conversion charter school) during the second six (6) months of the calendar year in which the charter school begins its initial operation.

Sec. 5. The charter school grant account is established within the state general fund.

Sec. 6. The state board shall award grants to charter schools from the account to be used for operational costs.

Sec. 7. A charter school that desires to obtain a grant must submit an application to the state board on a form prescribed by the state board after the state board consults with the department and the budget agency to determine the amount of the grant.

Sec. 8. Priority of grants for operational costs must be on a basis determined by the state board after consulting with the department and the budget agency.

Sec. 9. The state board, after consulting with the department and upon approval of the budget agency, shall establish the terms of a grant before the date on which the grant is made.

Sec. 10. The amount of a grant for operational costs may not exceed the amount determined under STEP THREE of the following formula:

STEP ONE: Determine the product of:

(A) the charter school's enrollment reported under IC 20-24-7-2(a); multiplied by

(B) the target revenue per ADM:

(i) determined under IC 20-43-5-9(b), for a charter school sponsored by the executive of a consolidated city; or

(ii) of the school corporation in which the charter school is located, for any other charter school.

STEP TWO: Determine the quotient of:

(A) the STEP ONE amount; divided by

(B) two (2).

STEP THREE: Determine the product of:

(A) the STEP TWO amount; multiplied by

(B) one and fifteen-hundredths (1.15).

SECTION 5. IC 20-26-7-1, AS ADDED BY P.L. 1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,

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1 2007]: Sec. 1. (a) If a governing body of a school corporation
 2 determines that any real or personal property:
 3 (1) is no longer needed for school purposes; or
 4 (2) should, in the interests of the school corporation, be
 5 exchanged for other property;
 6 the governing body may sell or exchange the property in accordance
 7 with IC 36-1-11.

8 (b) Money derived from the sale or exchange of property under this
 9 section shall be placed in any school fund:
 10 (1) established under applicable law; and
 11 (2) that the governing body considers appropriate.

12 **(c) A governing body may not make a covenant that prohibits**
 13 **the sale of real property to another educational institution.**

14 SECTION 6. IC 20-35-4-9, AS ADDED BY P.L.1-2005, SECTION
 15 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,
 16 2007]: Sec. 9. (a) The budget agency and the division shall develop a
 17 funding mechanism to provide preschool special education. Each
 18 school corporation shall provide each preschool child with a disability
 19 with an appropriate special education. However, this subsection is
 20 applicable only if the general assembly appropriates state funds for
 21 preschool special education.

22 (b) A school corporation may act:
 23 (1) individually;
 24 (2) in a joint school services program with other school
 25 corporations as described in section 1 of this chapter; or
 26 (3) upon approval by the division, through contractual agreements
 27 entered into between a school corporation and a qualified public
 28 or private agency that serves preschool children with disabilities.

29 (c) The state board shall adopt rules under IC 4-22-2 governing the
 30 following:
 31 (1) The extent to which a school corporation may contract with
 32 another service provider as permitted under subsection (b).
 33 (2) The nature of the contracts.
 34 (3) The approval procedure required of the school corporation
 35 under subsection (b).
 36 (4) Other pertinent matters concerning these agreements.

37 **(d) A charter school may provide appropriate special education**
 38 **to a preschool child with a disability in the same manner as any**
 39 **other public school.**

40 SECTION 7. IC 20-43-5-9, AS ADDED BY P.L.2-2006, SECTION
 41 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 JANUARY 1, 2008]: Sec. 9. **(a) This subsection applies to a school**

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1 **corporation that is not a charter school sponsored by the executive**
2 **of a consolidated city.** A school corporation's target revenue per ADM
3 for a calendar year is the quotient of:

- 4 (1) the school corporation's guaranteed minimum revenue for the
- 5 calendar year; divided by
- 6 (2) the school corporation's current adjusted ADM.

7 **(b) This subsection applies to a charter school sponsored by the**
8 **executive of a consolidated city. A charter school's target revenue**
9 **per ADM for a calendar year is the quotient of:**

- 10 (1) **the guaranteed minimum revenue for the calendar year**
- 11 **for the school corporation with the highest target revenue per**
- 12 **ADM for the calendar year in the county where the charter**
- 13 **school is located; divided by**
- 14 (2) **the current ADM of the school corporation with the**
- 15 **highest target revenue per ADM for the calendar year in the**
- 16 **county where the charter school is located.**

17 SECTION 8. IC 20-43-6-3, AS ADDED BY P.L.2-2006, SECTION
18 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
19 JANUARY 1, 2008]: Sec. 3. (a) A school corporation's total target
20 revenue for a calendar year is the amount determined under the
21 applicable provision of this section.

22 (b) This subsection applies to a school corporation **(other than a**
23 **charter school described in subsection (d))** that has target revenue
24 per ADM for a calendar year that is not equal to the school
25 corporation's foundation amount for the calendar year. The school
26 corporation's total target revenue for a calendar year is equal to the
27 school corporation's guaranteed minimum revenue for the calendar
28 year.

29 (c) This subsection applies to a school corporation **(other than a**
30 **charter school described in subsection (d))** that has target revenue
31 per ADM for a calendar year that is equal to the school corporation's
32 foundation amount for the calendar year. The school corporation's total
33 target revenue for a calendar year is the sum of the following:

- 34 (1) The school corporation's foundation amount for the calendar
- 35 year multiplied by the school corporation's adjusted ADM for the
- 36 current year.
- 37 (2) The amount of the annual decrease in federal aid to impacted
- 38 areas from the year preceding the ensuing calendar year by three
- 39 (3) years to the year preceding the ensuing calendar year by two
- 40 (2) years.
- 41 (3) The part of the school corporation's maximum permissible
- 42 tuition support levy for the year that equals the original amount of

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1 the levy imposed by the school corporation to cover the costs of
2 opening a new school facility or reopening an existing facility
3 during the preceding year.

4 **(d) This subsection applies to a charter school sponsored by the**
5 **executive of a consolidated city. A charter school's total target**
6 **revenue for a calendar year is the result of:**

7 **(1) the charter school's target revenue per ADM for the**
8 **calendar year; multiplied by**

9 **(2) the charter school's current ADM.**

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