



February 21, 2007

## SENATE BILL No. 548

DIGEST OF SB 548 (Updated February 20, 2007 12:10 pm - DI 113)

**Citations Affected:** IC 20-20; IC 20-24; IC 20-26; IC 20-35.

**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. Provides that a charter school may receive a grant for the operational expenses of the first semester the charter school is in operation or to repay an existing advance from the common school fund. 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.

**Effective:** July 1, 2007.

**Lubbers, Merritt**

January 23, 2007, read first time and referred to Committee on Education and Career Development.  
February 8, 2007, amended, reported favorably — Do Pass; reassigned to Committee on Tax and Fiscal Policy.  
February 20, 2007, amended, reported favorably — Do Pass.

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February 21, 2007

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.**

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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 20-24-12 IS ADDED TO THE INDIANA CODE  
19 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
20 JULY 1, 2007]:

21 **Chapter 12. Charter School Grant Account**

22 **Sec. 1. As used in this chapter, "account" refers to the charter  
23 school grant account established within the state general fund  
24 under section 5 of this chapter.**

25 **Sec. 2. As used in this chapter, "charter school" refers to a  
26 school established under this article.**

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

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

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

36 **Sec. 6. The state board shall award grants to charter schools  
37 from money appropriated from the account for that purpose by the  
38 general assembly. The grants may be used:**

- 39 (1) for operational costs; and  
40 (2) to repay advances made under IC 20-49-7.

41 **Sec. 7. A charter school that desires to obtain a grant must  
42 submit an application to the state board on a form prescribed by**

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1 the state board after the state board consults with the department  
 2 and the budget agency to determine the amount of the grant.  
 3 **Sec. 8. Priority of grants for operational costs must be on a basis**  
 4 **determined by the state board after consulting with the department**  
 5 **and the budget agency.**  
 6 **Sec. 9. The state board, after consulting with the department**  
 7 **and upon approval of the budget agency, shall establish the terms**  
 8 **of a grant before the date on which the grant is made.**  
 9 **Sec. 10. (a) The amount of a grant for operational costs may not**  
 10 **exceed the amount determined under STEP THREE of the**  
 11 **following formula:**  
 12 **STEP ONE: Determine the product of:**  
 13 **(A) the charter school's enrollment reported under**  
 14 **IC 20-24-7-2(a); multiplied by**  
 15 **(B) the target revenue per ADM of the school corporation**  
 16 **in which the charter school is located, for any other**  
 17 **charter school.**  
 18 **STEP TWO: Determine the quotient of:**  
 19 **(A) the STEP ONE amount; divided by**  
 20 **(B) two (2).**  
 21 **STEP THREE: Determine the product of:**  
 22 **(A) the STEP TWO amount; multiplied by**  
 23 **(B) one and fifteen-hundredths (1.15).**  
 24 **(b) A charter school that receives a grant for operational costs**  
 25 **under this section may not receive an advancement for operational**  
 26 **costs under IC 20-49-7.**  
 27 **Sec. 11. (a) The amount of a grant to repay an advance made**  
 28 **under IC 20-49-7 may not exceed the amount that a charter school**  
 29 **is required to repay to the charter school advancement account on**  
 30 **the date the charter school receives the grant.**  
 31 **(b) A charter school that receives a grant under this section**  
 32 **shall use the grant to repay the charter school's obligation to the**  
 33 **charter school account.**  
 34 **SECTION 4. IC 20-26-7-1, AS ADDED BY P.L.1-2005, SECTION**  
 35 **10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,**  
 36 **2007]: Sec. 1. (a) If a governing body of a school corporation**  
 37 **determines that any real or personal property:**  
 38 **(1) is no longer needed for school purposes; or**  
 39 **(2) should, in the interests of the school corporation, be**  
 40 **exchanged for other property;**  
 41 **the governing body may sell or exchange the property in accordance**  
 42 **with IC 36-1-11.**

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1 (b) Money derived from the sale or exchange of property under this  
2 section shall be placed in any school fund:

- 3 (1) established under applicable law; and
- 4 (2) that the governing body considers appropriate.

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

7 SECTION 5. IC 20-35-4-9, AS ADDED BY P.L.1-2005, SECTION  
8 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
9 2007]: Sec. 9. (a) The budget agency and the division shall develop a  
10 funding mechanism to provide preschool special education. Each  
11 school corporation shall provide each preschool child with a disability  
12 with an appropriate special education. However, this subsection is  
13 applicable only if the general assembly appropriates state funds for  
14 preschool special education.

- 15 (b) A school corporation may act:
  - 16 (1) individually;
  - 17 (2) in a joint school services program with other school
  - 18 corporations as described in section 1 of this chapter; or
  - 19 (3) upon approval by the division, through contractual agreements
  - 20 entered into between a school corporation and a qualified public
  - 21 or private agency that serves preschool children with disabilities.

22 (c) The state board shall adopt rules under IC 4-22-2 governing the  
23 following:

- 24 (1) The extent to which a school corporation may contract with
- 25 another service provider as permitted under subsection (b).
- 26 (2) The nature of the contracts.
- 27 (3) The approval procedure required of the school corporation
- 28 under subsection (b).
- 29 (4) Other pertinent matters concerning these agreements.

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

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SENATE MOTION

Madam President: I move that Senator Merritt be added as coauthor of Senate Bill 548.

LUBBERS

COMMITTEE REPORT

Madam President: The Senate Committee on Education and Career Development, to which was referred Senate Bill No. 548, 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 2, delete lines 18 through 42.

Page 3, delete lines 1 through 34.

Page 4, line 12, delete "used" and insert "**used:  
(1)**".

Page 4, line 12, delete "costs." and insert "**costs; and  
(2) to repay advances made under IC 20-49-7.**".

Page 4, line 23, after "10." insert "**(a)**".

Page 4, between lines 40 and 41, begin a new paragraph and insert: "**(b) A charter school that receives a grant for operational costs under this section may not receive an advancement for operational costs under IC 20-49-7.**"

**Sec. 11. (a) The amount of a grant to repay an advance made under IC 20-49-7 may not exceed the amount that a charter school is required to repay to the charter school advancement account on the date the charter school receives the grant.**

**(b) A charter school that receives a grant under this section shall use the grant to repay the charter school's obligation to the charter school account."**

Page 5, delete lines 40 through 42.

Delete pages 6 through 7.

Re-number all SECTIONS consecutively.

and when so amended that said bill be reassigned to the Senate Committee on Tax and Fiscal Policy.

(Reference is to SB 548 as introduced.)

LUBBERS, Chairperson

Committee Vote: Yeas 6, Nays 4.

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COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 548, 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 2, delete lines 36 through 37, begin a new paragraph and insert:

**"Sec. 6. The state board shall award grants to charter schools from money appropriated from the account for that purpose by the general assembly. The grants may be used:"**

Page 3, line 14, after "ADM" delete ":".

Page 3, delete lines 15 through 17.

Page 3, line 18, delete "(ii)".

Page 3, run in lines 14 through 18.

and when so amended that said bill do pass.

(Reference is to SB 548 as printed February 9, 2007.)

KENLEY, Chairperson

Committee Vote: Yeas 7, Nays 4.

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