

Adopted	Rejected
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## COMMITTEE REPORT

YES:	9
NO:	3

### MR. SPEAKER:

*Your Committee on Education, to which was referred House Bill 1338, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

1           Page 1, between the enacting clause and line 1, begin a new  
2 paragraph and insert:  
3           "SECTION 1. IC 5-2-10.1-6 IS AMENDED TO READ AS  
4 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 6. (a) A school  
5 corporation **or charter school (as defined in IC 20-24-1-4)** may  
6 receive a grant from the fund for programs, equipment, services, or  
7 activities included in a safety plan submitted with the application for  
8 funds to the institute.  
9           (b) A safety plan submitted under this section must include  
10 provisions for zero (0) tolerance for alcohol, tobacco, drugs, and  
11 weapons on school property. If the institute approves the safety plan  
12 and application, the treasurer of state shall disburse from the fund to  
13 the applicant the amount of the grant certified to the treasurer of state  
14 by the institute.  
15           SECTION 2. IC 5-2-10.1-7 IS AMENDED TO READ AS

1 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. (a) As used in this  
2 section, "program" refers to a school safe haven program.

3 (b) A school corporation **or charter school (as defined in**  
4 **IC 20-24-1-4)** may apply to the institute for a grant for matching funds  
5 under this chapter to establish and operate a school safe haven  
6 program.

7 (c) A program must include at least the following components:

8 (1) The school must be open to students of the school before and  
9 after normal operating hours, preferably from 7 a.m. to 9 p.m., on  
10 days determined by the school corporation.

11 (2) The program must operate according to a plan to do the  
12 following in the school:

13 (A) Reduce alcohol, tobacco, and drug abuse.

14 (B) Reduce violent behavior.

15 (C) Promote educational progress.

16 (d) The institute shall adopt rules to administer the program,  
17 including rules concerning evaluations by school corporations on the  
18 use and impact of grant money received through the program."

19 Page 3, between lines 28 and 29, begin a new paragraph and insert:

20 "SECTION 2. IC 5-14-1.5-3.6, AS ADDED BY P.L.134-2012,  
21 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
22 JULY 1, 2013]: Sec. 3.6. (a) This section applies only to a governing  
23 body of **a charter school (as defined in IC 20-24-1-4)** and a public  
24 agency of the state, including a body corporate and politic established  
25 as an instrumentality of the state.

26 (b) A member of the governing body of a **charter school or** public  
27 agency who is not physically present at a meeting of the governing  
28 body may participate in a meeting of the governing body by electronic  
29 communication only if the member uses a means of communication  
30 that permits:

31 (1) the member;

32 (2) all other members participating in the meeting;

33 (3) all members of the public physically present at the place  
34 where the meeting is conducted; and

35 (4) if the meeting is conducted under a policy adopted under  
36 subsection (g)(7), all members of the public physically present at  
37 a public location at which a member participates by means of  
38 electronic communication;

- 1 to simultaneously communicate with each other during the meeting.
- 2 (c) The governing body must fulfill both of the following  
3 requirements for a member of the governing body to participate in a  
4 meeting by electronic communication:
- 5 (1) This subdivision does not apply to committees appointed by  
6 a board of trustees of a state educational institution. The  
7 minimum number of members who must be physically present at  
8 the place where the meeting is conducted must be the greater of:  
9 (A) two (2) of the members; or  
10 (B) one-third (1/3) of the members.
- 11 (2) All votes of the governing body during the electronic meeting  
12 must be taken by roll call vote.
- 13 Nothing in this section affects the public's right under this chapter to  
14 attend a meeting of the governing body at the place where the meeting  
15 is conducted and the minimum number of members is physically  
16 present as provided for in subdivision (1).
- 17 (d) Each member of the governing body is required to physically  
18 attend at least one (1) meeting of the governing body annually.
- 19 (e) Unless a policy adopted by a governing body under subsection  
20 (g) provides otherwise, a member who participates in a meeting by  
21 electronic communication:
- 22 (1) is considered to be present at the meeting;  
23 (2) shall be counted for purposes of establishing a quorum; and  
24 (3) may vote at the meeting.
- 25 (f) A governing body may not conduct meetings using a means of  
26 electronic communication until the governing body:
- 27 (1) meets all requirements of this chapter; and  
28 (2) by a favorable vote of a majority of the members of the  
29 governing body, adopts a policy under subsection (g) governing  
30 participation in meetings of the governing body by electronic  
31 communication.
- 32 (g) A policy adopted by a governing body to govern participation in  
33 the governing body's meetings by electronic communication may do  
34 any of the following:
- 35 (1) Require a member to request authorization to participate in a  
36 meeting of the governing body by electronic communication  
37 within a certain number of days before the meeting to allow for  
38 arrangements to be made for the member's participation by

- 1 electronic communication.
- 2 (2) Subject to subsection (e), limit the number of members who  
3 may participate in any one (1) meeting by electronic  
4 communication.
- 5 (3) Limit the total number of meetings that the governing body  
6 may conduct in a calendar year by electronic communication.
- 7 (4) Limit the number of meetings in a calendar year in which any  
8 one (1) member of the governing body may participate by  
9 electronic communication.
- 10 (5) Provide that a member who participates in a meeting by  
11 electronic communication may not cast the deciding vote on any  
12 official action.
- 13 (6) Require a member participating in a meeting by electronic  
14 communication to confirm in writing the votes cast by the  
15 member during the meeting within a certain number of days after  
16 the date of the meeting.
- 17 (7) Provide that in addition to the location where a meeting is  
18 conducted, the public may also attend some or all meetings of the  
19 governing body, excluding executive sessions, at a public place  
20 or public places at which a member is physically present and  
21 participates by electronic communication. If the governing body's  
22 policy includes this provision, a meeting notice must provide the  
23 following information:
- 24 (A) The identity of each member who will be physically  
25 present at a public place and participate in the meeting by  
26 electronic communication.
- 27 (B) The address and telephone number of each public place  
28 where a member will be physically present and participate by  
29 electronic communication.
- 30 (C) Unless the meeting is an executive session, a statement  
31 that a location described in clause (B) will be open and  
32 accessible to the public.
- 33 (8) Require at least a quorum of members to be physically present  
34 at the location where the meeting is conducted.
- 35 (9) Provide that a member participating by electronic  
36 communication may vote on official action only if, subject to  
37 subsection (e), a specified number of members:
- 38 (A) are physically present at the location where the meeting is

- 1           conducted; and
- 2           (B) concur in the official action.
- 3           (10) Establish any other procedures, limitations, or conditions that
- 4           govern participation in meetings of the governing body by
- 5           electronic communication and are not in conflict with this
- 6           chapter.
- 7           (h) The policy adopted by the governing body must be posted on the
- 8           Internet web site of the governing body, **the charter school**, or the
- 9           public agency.
- 10          (i) Nothing in this section affects a public agency's **or charter**
- 11          **school's** right to exclude the public from an executive session in which
- 12          a member participates by electronic communication."
- 13          Page 5, between lines 34 and 35, begin a new paragraph and insert:
- 14          "SECTION 5. IC 20-24-1-6.1 IS ADDED TO THE INDIANA
- 15          CODE AS A **NEW** SECTION TO READ AS FOLLOWS
- 16          [EFFECTIVE JULY 1, 2013]: **Sec. 6.1. "Education service provider"**
- 17          **means a for profit education management organization, nonprofit**
- 18          **charter management organization, school design provider, or any**
- 19          **other partner entity with which a public charter school intends to**
- 20          **contract for educational design, implementation, or comprehensive**
- 21          **management."**
- 22          Page 7, line 33, delete "(a)".
- 23          Page 7, line 34, after "authorizing" delete "." and insert "**, as defined**
- 24          **by a nationally recognized organization with expertise in charter**
- 25          **school authorizing."**
- 26          Page 7, delete lines 35 through 37.
- 27          Page 8, line 20, strike "the charter board." and insert "**another**
- 28          **authorizer."**
- 29          Page 9, line 24, delete ", the charter board,".
- 30          Page 9, line 26, delete ", the charter" .
- 31          Page 9, line 27, delete "board,".
- 32          Page 9, line 31, delete ", the charter" .
- 33          Page 9, line 32, delete "board,".
- 34          Page 9, line 35, delete ", the charter" .
- 35          Page 9, line 36, delete "board,".
- 36          Page 10, line 41, after "including" insert "**overseeing the orderly**
- 37          **winding up of authorization activities or responsibilities, and**
- 38          **ensuring the transfer of any charter school records or**

1 **administrative fees due under IC 20-24-7-4 in the authorizer's**  
 2 **custody."**

3 Page 10, delete line 42.

4 Page 11, delete lines 1 through 2.

5 Page 11, line 3, delete "who" and insert "**that**".

6 Page 11, line 5, delete "the charter board" and insert "**another**  
 7 **authorizer**".

8 Page 11, line 18, after "including" insert "**overseeing the orderly**  
 9 **winding up of authorization activities, and ensuring the transfer of**  
 10 **any charter school records or administrative fee balances due**  
 11 **under IC 20-24-7-4 in the authorizer's custody."**

12 Page 11, delete lines 19 through 20.

13 Page 11, between lines 28 and 29, begin a new paragraph and insert:

14 "SECTION 18. IC 20-24-3-2.5 IS ADDED TO THE INDIANA  
 15 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 16 [EFFECTIVE JULY 1, 2013]: **Sec. 2.5. If a proposed charter school**  
 17 **intends to contract with an education service provider for**  
 18 **substantial educational services, management services, or both**  
 19 **educational services and management services, the request for**  
 20 **proposals shall require the applicants to provide the following:**

21 (1) **Evidence of the education service provider's success in**  
 22 **servicing student populations similar to the targeted**  
 23 **populations, including demonstrated academic achievement**  
 24 **as well as successful management of nonacademic school**  
 25 **functions, if applicable.**

26 (2) **A term sheet setting forth the:**

27 (A) **proposed duration of the service contract;**

28 (B) **roles and responsibilities of the governing board, the**  
 29 **school staff, and the education service provider;**

30 (C) **performance evaluation measures and timelines;**

31 (D) **compensation structure, including clear identification**  
 32 **of all fees to be paid to the education service provider;**

33 (E) **methods of contract oversight and enforcement;**

34 (F) **investment disclosure; and**

35 (G) **conditions for renewal and termination of the contract.**

36 (3) **A disclosure statement to explain any existing or potential**  
 37 **conflicts of interest between the charter school governing**  
 38 **body and the proposed education service provider or any**

1           **affiliated business entities.**  
 2           **(4) Assurance that the organizer's board of directors will be**  
 3           **structurally independent of the education service provider**  
 4           **and shall set and approve school policies. The assurance must**  
 5           **also provide that the terms of the service contract must be**  
 6           **reached by the organizer and the education service provider**  
 7           **through arms length negotiations in which the organizer must**  
 8           **be represented by legal counsel. The legal counsel may not**  
 9           **also represent the education service provider.**

10           SECTION 19. IC 20-24-3-3, AS ADDED BY P.L.1-2005,  
 11           SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 12           JULY 1, 2013]: Sec. 3. The organizer's constitution, charter, articles,  
 13           or bylaws must contain a clause providing that upon dissolution:

14           (1) ~~all remaining assets, except funds specified in subdivision (2);~~  
 15           ~~shall be used for nonprofit educational purposes; the remaining~~  
 16           ~~assets of the charter school shall be distributed first to satisfy~~  
 17           ~~outstanding payroll obligations for employees of the charter~~  
 18           ~~school, then to creditors of the charter school, then to any~~  
 19           ~~outstanding debt to the common school fund; and~~  
 20           (2) remaining funds received from the department shall be  
 21           returned to the department not more than thirty (30) days after  
 22           dissolution.

23           **If the assets of the charter school are insufficient to pay all parties**  
 24           **to whom the charter school owes compensation under subdivision**  
 25           **(1), the priority of the distribution of assets may be determined by**  
 26           **a court."**

27           Page 16, between lines 1 and 2, begin a new paragraph and insert:  
 28           "SECTION 30. IC 20-24-3-17 IS ADDED TO THE INDIANA  
 29           CODE AS A NEW SECTION TO READ AS FOLLOWS  
 30           [EFFECTIVE JULY 1, 2013]: **Sec. 17. (a) The department shall**  
 31           **assign a school corporation identification number for each charter**  
 32           **school established under this chapter.**

33           **(b) If a charter school assigned a school corporation**  
 34           **identification number under subsection (a) consists of more than**  
 35           **one (1) campus, the department shall assign each charter school**  
 36           **campus, in addition to the school corporation identification**  
 37           **number under subsection (a), a separate school identification**  
 38           **number."**

1 Page 16, between lines 22 and 23, begin a new line double block  
2 indented and insert:

3 **"(C) The renewal application process must, at a minimum,**  
4 **provide an opportunity for the charter school to:**

5 **(i) present additional evidence, beyond the data**  
6 **contained in the performance report, supporting its case**  
7 **for charter renewal;**

8 **(ii) describe improvements undertaken or planned for**  
9 **the charter school; and**

10 **(iii) detail the charter school's plans for the next charter**  
11 **term.**

12 **(D) The renewal application guidance must include or**  
13 **refer explicitly to the criteria that will guide the**  
14 **authorizer's renewal decisions, which must be based on the**  
15 **performance framework set forth in the charter contract**  
16 **and consistent with this article.**

17 **(E) Not later than October 1, in the year in which the**  
18 **charter school seeks renewal of a charter, the governing**  
19 **board of a charter school seeking renewal shall submit a**  
20 **renewal application to the charter authorizer under the**  
21 **renewal application guidance issued by the authorizer. The**  
22 **authorizer shall make a final ruling on the renewal**  
23 **application not later than March 1 after the filing of the**  
24 **renewal application."**

25 Page 17, between lines 33 and 34, begin a new paragraph and insert:

26 **"SECTION 30. IC 20-24-4-2 IS ADDED TO THE INDIANA CODE**  
27 **AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY**  
28 **1, 2013]: Sec. 2. (a) A charter contract may consist of one (1) or**  
29 **more charter schools, to the extent approved by the authorizer and**  
30 **consistent with applicable law. Each charter school that is part of**  
31 **a charter contract must be separate and distinct from any other**  
32 **charter school.**

33 **(b) A governing body may hold one (1) or more charter**  
34 **contracts. Each charter school that is part of a charter contract**  
35 **must be separate and distinct from any other charter school.**

36 **SECTION 31. IC 20-24-4-3 IS ADDED TO THE INDIANA CODE**  
37 **AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY**  
38 **1, 2013]: Sec. 3. (a) In making charter renewal decisions, an**



- 1 **authorizer shall:**
- 2 **(1) ground its decisions in evidence of the school's**
- 3 **performance over the term of the charter contract in**
- 4 **accordance with the performance framework set forth in the**
- 5 **charter contract;**
- 6 **(2) ensure the data used in making renewal decisions are**
- 7 **available to the school and the public; and**
- 8 **(3) provide a public report summarizing the evidence basis for**
- 9 **each decision.**

10 **(b) An authorizer must develop revocation and nonrenewal**  
 11 **processes that:**

- 12 **(1) provide the organizer with a timely notification of**
- 13 **revocation or nonrenewal and the reasons for the possible**
- 14 **revocation or nonrenewal;**
- 15 **(2) allow the organizer a reasonable amount of time in which**
- 16 **to prepare a response;**
- 17 **(3) provide the organizer with an opportunity to submit**
- 18 **documents and give testimony challenging the rationale for**
- 19 **revocation or nonrenewal and in support of the continuation**
- 20 **of the charter school at an orderly proceeding held for that**
- 21 **purpose;**
- 22 **(4) allow the organizer access to representation by counsel**
- 23 **and to call witnesses on the organizer's behalf;**
- 24 **(5) permit the recording of the proceedings; and**
- 25 **(6) after a reasonable period for deliberation, require that a**
- 26 **final determination be made and conveyed in writing to the**
- 27 **organizer.**

28 **(c) If an authorizer revokes or does not renew a charter, the**  
 29 **authorizer shall clearly state, in writing, the reasons for the**  
 30 **revocation or nonrenewal."**

- 31 Page 19, delete lines 18 through 42.
- 32 Delete page 20.
- 33 Page 21, delete lines 1 through 4.
- 34 Page 22, line 18, reset in roman "department."
- 35 Page 22, line 18, delete "budget agency."
- 36 Page 22, delete lines 20 through 29.
- 37 Page 24, delete lines 8 through 42, begin a new paragraph and
- 38 insert:

1 "SECTION 40. IC 20-24-7-10, AS ADDED BY P.L.169-2005,  
2 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2013]: Sec. 10. (a) The department shall carry out a program  
4 to identify all federal funds for which a charter school is eligible.

5 (b) The department shall apply for all federal funds that are  
6 available for charter schools and for which Indiana is eligible.

7 (c) Upon receiving notice under ~~IC 20-5.5-3-9~~ **IC 20-24-3-10** from  
8 a ~~sponsor~~ **an authorizer** that a charter has been approved, the  
9 department shall immediately inform the organizer of the organizer's  
10 potential eligibility for federal charter school start-up grants.

11 (d) The department shall distribute federal charter school start-up  
12 grants to eligible organizers in a timely manner according to the  
13 department's published guidelines for distributing the grants.

14 (e) The department shall compile a biannual report and submit the  
15 report to the state office of federal grants and procurement and to  
16 charter school organizers and ~~sponsors~~ **authorizers**. The report  
17 submitted under this subsection must contain the following information  
18 for grants distributed under this section:

19 (1) Beginning and end dates for each grant cycle.

20 (2) The dates on which:

21 (A) grant applications and requests for renewal were received;

22 and

23 (B) grants were awarded.

24 (3) The amount of each grant awarded."

25 Page 25, delete lines 1 through 7.

26 Page 26, delete lines 18 through 21.

27 Page 26, delete lines 30 through 42, begin a new paragraph and  
28 insert:

29 "SECTION 47. IC 20-24-9-2, AS AMENDED BY P.L.91-2011,  
30 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
31 JULY 1, 2013]: Sec. 2. An annual report under this chapter must  
32 contain the following information:

33 (1) Results of all standardized testing, including ISTEP program  
34 testing, end of course assessments, and any other assessments  
35 used for each ~~sponsored~~ **authorized** school.

36 ~~(2) A description of the educational methods and teaching  
37 methods employed for each sponsored school.~~

38 **(2) Student growth and improvement data for each authorized**

- 1 **school.**
- 2 (3) Attendance rates for each ~~sponsored~~ **authorized** school.
- 3 (4) Graduation rates (if appropriate), including attainment of Core
- 4 40 and academic honors diplomas for each ~~sponsored~~ **authorized**
- 5 school.
- 6 (5) Student enrollment data for each ~~sponsored~~ **authorized**
- 7 school, including the following:
- 8 (A) The number of students enrolled.
- 9 (B) The number of students expelled.
- 10 (6) Schools that closed or for which the charter was not renewed,
- 11 and the reasons for the closure or nonrenewal.
- 12 **(7) Names of the authorizer's board members or ultimate**
- 13 **decision making body.**
- 14 **(8) Evidence that the authorizer is in compliance with**
- 15 **IC 20-24-2.2-1.5.**
- 16 **(9) A report summarizing the total amount of administrative**
- 17 **fees collected by the authorizer and how the fees were**
- 18 **expended, if applicable."**
- 19 Page 27, delete lines 1 through 8.
- 20 Page 27, between lines 30 and 31, begin a new paragraph and insert:
- 21 "SECTION 53. IC 20-24-9-4.5 IS ADDED TO THE INDIANA
- 22 CODE AS A NEW SECTION TO READ AS FOLLOWS
- 23 [EFFECTIVE JULY 1, 2013]: **Sec. 4.5. (a) Before any charter school**
- 24 **closure decision, an authorizer shall develop a charter school**
- 25 **closure protocol to ensure timely notification to parents, orderly**
- 26 **transition of students and student records to new schools, and**
- 27 **proper disposition of school funds, property, and assets.**
- 28 **(b) If a charter school closes for any reason, the authorizer shall**
- 29 **oversee and work with the closing charter school to ensure a**
- 30 **smooth and orderly closure and transition for students and**
- 31 **parents, as guided by the closure protocol."**
- 32 Page 28, delete lines 33 through 42.
- 33 Delete pages 29 through 30.
- 34 Page 31, delete lines 1 through 20.
- 35 Page 32, line 6, after "organizer" delete "." and insert ", **including**
- 36 **a virtual charter school organizer."**
- 37 Page 32, delete lines 18 through 42.
- 38 Delete pages 33 through 34.

- 1 Page 35, delete lines 1 through 38.
- 2 Page 36, delete lines 10 through 42.
- 3 Delete pages 37 through 38.
- 4 Page 39, delete lines 1 through 3.
- 5 Page 39, between lines 6 and 7, begin a new paragraph and insert:
- 6 "SECTION 80. IC 20-49-7-9, AS ADDED BY P.L.2-2006,
- 7 SECTION 172, IS AMENDED TO READ AS FOLLOWS
- 8 [EFFECTIVE JULY 1, 2013]: Sec. 9. **(a)** The state board, after
- 9 consulting with the department and upon approval of the budget
- 10 agency, shall establish the terms of an advance before the date on
- 11 which the advance is made.
- 12 **(b) After June 30, 2013, the terms of any advance or**
- 13 **modification of the terms of an existing advance must include a**
- 14 **requirement that a lien be placed on the property of a charter**
- 15 **school to secure an advance to the charter school under this**
- 16 **chapter if the charter school's charter is revoked or the charter**
- 17 **school closes.**
- 18 SECTION 81. IC 20-49-7-22 IS ADDED TO THE INDIANA
- 19 CODE AS A NEW SECTION TO READ AS FOLLOWS
- 20 [EFFECTIVE UPON PASSAGE]: Sec. 22. **(a) This section applies to**
- 21 **a charter school that:**
- 22 **(1) has closed or has had its charter revoked;**
- 23 **(2) has received an advance under this chapter; and**
- 24 **(3) at the time the charter school closes or has its charter**
- 25 **revoked, has not fully paid back the advance received under**
- 26 **this chapter.**
- 27 **(b) If a charter school closes or has its charter revoked, the**
- 28 **charter school shall pay back any outstanding advance made under**
- 29 **this chapter.**
- 30 **(c) The state board shall notify the attorney general if a charter**
- 31 **school has closed or has its charter revoked and has an outstanding**
- 32 **advance under this chapter. The attorney general shall use any**
- 33 **means under the attorney general's authority to collect the**
- 34 **principal on any unpaid advance.**
- 35 **(d) Any charter school or successor of interest to the charter**
- 36 **school must pay back any unpaid advance under this chapter**
- 37 **before it may receive a new charter school startup grant under**
- 38 **IC 20-24-7.5 or grants or loans from the charter school facilities**

- 1 **assistance program under IC 20-24-12-2."**
- 2 Page 39, delete lines 7 through 25.
- 3 Renumber all SECTIONS consecutively.  
(Reference is to HB 1338 as introduced.)

**and when so amended that said bill do pass.**

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Representative Behning