

**CONFERENCE COMMITTEE REPORT
DIGEST FOR EHB 1338**

Citations Affected: IC 5-2-10.1; IC 5-11-1-9; IC 5-14-1.5-3.6; IC 20-24; IC 20-39-1.

Synopsis: Charter schools. Provides that a charter school is eligible to receive a school safety grant. Provides that a charter school may use certain electronic meeting procedures. Replaces references to "sponsor" with "authorizer" in the charter school law. Adds definition of "education service provider". Adds certain requirements to be contained in a proposal to establish a charter school pertaining to education service providers. Provides that before a charter school authorizer may issue a charter to an organizer that has had its charter terminated or has been informed that its charter will not be renewed by the organizer's current authorizer, the authorizer must request to have the proposal reviewed by the state board of education (state board) at a hearing; that the state board shall conduct a hearing; and that the authorizer must present information at the hearing indicating that the organizer's proposal is substantively different from the organizer's current proposal with its current authorizer. Adds various charter renewal requirements. Provides that an organizer may hold more than one charter contract, but that each charter school that is part of a charter contract must be separate and distinct. Requires an authorizer to develop a charter school closure protocol. Provides that a public audit of a charter school or organizer of a charter school is limited to the use of the public money received by the organizer of a charter school or the charter school. Provides for the release to a charter school authorizer of certain covered records that are in the possession of the department of education (department) or the state board and that concern the charter school. Requires that the state pay directly to a charter school any federal or state aid attributable to a student with a disability attending the charter school. Repeals a provision that requires the city-county council of Indianapolis to approve a charter school authorized by the mayor of Indianapolis. Establishes the Indianapolis charter school board. Repeals a provision that provides a governing body must obtain approval from the department before granting a charter under which more than 50% of the students in the school corporation will attend the charter school. Requires the department, with the approval of the state board, to submit an annual report to the budget committee pertaining to virtual charter schools. Provides that if an organizer of a charter school maintains an Internet web site for a charter school, the organizer shall publish the names of the members of the charter school's governing body on the Internet web site. (Current law unconditionally requires an organizer to publish the names of the members of the governing body on the charter school's Internet web site.) Requires charter school organizers to adopt and accurately implement a single, unified accounting system for charter school organizers as prescribed by the state board and the state board of accounts.

Repeals a provision pertaining to accounting and financial reporting of charter schools. Provides that a member of the state charter board may not be removed before the end of the member's full term by the member's appointing authority without cause. Provides that the state charter board must collectively possess strong experience and expertise in certain areas. Provides that the department's Internet web site must include a charter school annual report. Requires an authorizer to adopt national industry standards of quality charter school authorizing. Provides that a charter school agreement must include a requirement that a charter school not remain in the lowest category or designation of school improvement in the third year after initial placement in the lowest category or designation. Requires the state board to provide an authorizer a hearing if the authorizer fails to close a charter school that does not meet the minimum standards in the charter agreement. Provides that the state board, after providing a hearing, may close the charter school at the end of the school year. (Current law provides that the charter school may be closed on a date set by the state board.) Provides that the state board, after providing a hearing, may reduce the administrative fees that an authorizer may receive. (Eliminates the provision of current law under which the administrative fees may be reduced by no more than 50%.) Provides that if an authorizer does not correct the deficiencies that prohibit the authorizer from opening new charter schools, the state board may, with a 2/3 vote, decommission the authorizer. Provides that the decommissioned authorizer's charter schools must apply to be approved by another authorizer within 150 days. Provides for the voluntary relinquishment of authorizer status. Provides that a virtual charter school is eligible to receive new charter school startup grants. Makes conforming amendments. **(This conference committee report: (1) adds the provision under which a charter school authorizer may not issue a charter to an organizer that has had its charter terminated or has been informed that its charter will not be renewed by the organizer's current authorizer unless the proposed authorizer requests to have the proposal reviewed by the state board at a hearing; and (2) resolves certain conflicts with EHB 1001-2013.)**

Effective: Upon passage; July 1, 2013.

CONFERENCE COMMITTEE REPORT

MADAM PRESIDENT:

Your Conference Committee appointed to confer with a like committee from the House upon Engrossed Senate Amendments to Engrossed House Bill No. 1338 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

- 1 Delete everything after the enacting clause and insert the following:
- 2 SECTION 1. IC 5-2-10.1-6 IS AMENDED TO READ AS
- 3 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 6. (a) A school
- 4 corporation **or charter school (as defined in IC 20-24-1-4)** may
- 5 receive a grant from the fund for programs, equipment, services, or
- 6 activities included in a safety plan submitted with the application for
- 7 funds to the institute.
- 8 (b) A safety plan submitted under this section must include
- 9 provisions for zero (0) tolerance for alcohol, tobacco, drugs, and
- 10 weapons on school property. If the institute approves the safety plan
- 11 and application, the treasurer of state shall disburse from the fund to
- 12 the applicant the amount of the grant certified to the treasurer of state
- 13 by the institute.
- 14 SECTION 2. IC 5-2-10.1-7 IS AMENDED TO READ AS
- 15 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. (a) As used in this
- 16 section, "program" refers to a school safe haven program.
- 17 (b) A school corporation **or charter school (as defined in**
- 18 **IC 20-24-1-4)** may apply to the institute for a grant for matching funds
- 19 under this chapter to establish and operate a school safe haven
- 20 program.
- 21 (c) A program must include at least the following components:
- 22 (1) The school must be open to students of the school before and

1 after normal operating hours, preferably from 7 a.m. to 9 p.m., on
2 days determined by the school corporation.

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

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

6 (B) Reduce violent behavior.

7 (C) Promote educational progress.

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

11 SECTION 3. IC 5-11-1-9, AS AMENDED BY P.L.172-2011,
12 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 UPON PASSAGE]: Sec. 9. (a) The state examiner, personally or
14 through the deputy examiners, field examiners, or private examiners,
15 shall examine all accounts and all financial affairs of every public
16 office and officer, state office, state institution, and entity.

17 (b) An examination of an entity deriving:

18 (1) less than fifty percent (50%); or

19 (2) **subject to subsection (h)**, at least fifty percent (50%) but less
20 than two hundred thousand dollars (\$200,000) if the entity is
21 organized as a not-for-profit corporation;

22 of its disbursements during the period ~~of time~~ subject to an
23 examination from appropriations, public funds, taxes, and other sources
24 of public expense shall be limited to matters relevant to the use of the
25 public money received by the entity.

26 (c) The examination of an entity described in subsection (b) may be
27 waived or deferred by the state examiner if the state examiner
28 determines in writing that all disbursements of public money during the
29 period subject to examination were made for the purposes for which the
30 money was received. However, the:

31 (1) Indiana economic development corporation created by
32 IC 5-28-3 and the corporation's funds, accounts, and financial
33 affairs; and

34 (2) department of financial institutions established by
35 IC 28-11-1-1 and the department's funds, accounts, and financial
36 affairs;

37 shall be examined biennially by the state board of accounts.

38 (d) On every examination under this section, inquiry shall be made
39 as to the following:

40 (1) The financial condition and resources of each municipality,
41 office, institution, or entity.

42 (2) Whether the laws of the state and the uniform compliance
43 guidelines of the state board of accounts established under section
44 24 of this chapter have been complied with.

45 (3) The methods and accuracy of the accounts and reports of the
46 person examined.

47 The examinations shall be made without notice.

48 (e) If during an examination of a state office under this chapter the
49 examiner encounters an inefficiency in the operation of the state office,
50 the examiner may comment on the inefficiency in the examiner's report.

1 (f) The state examiner, deputy examiners, any field examiner, or any
2 private examiner, when engaged in making any examination or when
3 engaged in any official duty devolved upon them by the state examiner,
4 is entitled to do the following:

5 (1) Enter into any state, county, city, township, or other public
6 office in this state, or any entity, agency, or instrumentality, and
7 examine any books, papers, documents, or electronically stored
8 information for the purpose of making an examination.

9 (2) Have access, in the presence of the custodian or the
10 custodian's deputy, to the cash drawers and cash in the custody of
11 the officer.

12 (3) During business hours, examine the public accounts in any
13 depository that has public funds in its custody pursuant to the
14 laws of this state.

15 (g) The state examiner, deputy examiner, or any field examiner,
16 when engaged in making any examination authorized by law, may issue
17 subpoenas for witnesses to appear before the examiner in person or to
18 produce books, papers, or other records (including records stored in
19 electronic data processing systems) for inspection and examination.
20 The state examiner, deputy examiner, and any field examiner may
21 administer oaths and examine witnesses under oath orally or by
22 interrogatories concerning the matters under investigation and
23 examination. Under the authority of the state examiner, the oral
24 examinations may be transcribed with the reasonable expense paid by
25 the examined person in the same manner as the compensation of the
26 field examiner is paid. The subpoenas shall be served by any person
27 authorized to serve civil process from any court in this state. If a
28 witness duly subpoenaed refuses to attend, refuses to produce
29 information required in the subpoena, or attends and refuses to be
30 sworn or affirmed, or to testify when called upon to do so, the examiner
31 may apply to the circuit court having jurisdiction of the witness for the
32 enforcement of attendance and answers to questions as provided by the
33 law governing the taking of depositions.

34 **(h) This subsection applies to audited years beginning after June**
35 **30, 2009. The definitions in IC 20-24-1 apply throughout this**
36 **subsection. Appropriations, public funds, taxes, and other sources**
37 **of public money received by a nonprofit corporation as a charter**
38 **school or organizer of a charter school for the purposes of a**
39 **charter school may not be counted for the purpose of applying**
40 **subsection (b)(2). Unless the nonprofit corporation receives other**
41 **public money that would qualify the nonprofit corporation for a**
42 **full examination of all accounts and financial affairs of the entity**
43 **under subsection (b)(2), an examination of a charter school or**
44 **organizer of a charter school must be limited to matters relevant**
45 **to the use of the public money received for the charter school. This**
46 **subsection does not prohibit the state examiner, personally or**
47 **through the deputy examiners, field examiners, or private**
48 **examiners, from examining the accounts in which appropriations,**
49 **public funds, taxes, or other sources of public money are applied**
50 **that are received by a nonprofit corporation as a charter school or**
51 **organizer of a charter school relating to the operation of the**

1 **charter school.**

2 SECTION 4. IC 5-14-1.5-3.6, AS AMENDED BY HEA 1052-2013,
3 SECTION 1, AND SEA 532-2013, SECTION 1, IS AMENDED TO
4 READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3.6. (a) This
5 section applies only to a governing body of a **charter school (as**
6 **defined in IC 20-24-1-4) and** a public agency of the state, including
7 a body corporate and politic established as an instrumentality of the
8 state.

9 (b) A member of the governing body of a **charter school or** public
10 agency who is not physically present at a meeting of the governing
11 body may participate in a meeting of the governing body by electronic
12 communication only if the member uses a means of communication
13 that permits:

- 14 (1) the member;
15 (2) all other members participating in the meeting;
16 (3) all members of the public physically present at the place
17 where the meeting is conducted; and
18 (4) if the meeting is conducted under a policy adopted under
19 subsection (g)(7), all members of the public physically present at
20 a public location at which a member participates by means of
21 electronic communication;

22 to simultaneously communicate with each other during the meeting.

23 (c) The governing body must fulfill both of the following
24 requirements for a member of the governing body to participate in a
25 meeting by electronic communication:

26 (1) This subdivision does not apply to committees appointed by
27 a board of trustees of a state educational institution, ~~or~~ by the
28 commission for higher education, or by the board of directors of
29 the Indiana secondary market for education loans, as established,
30 incorporated, and designated under IC 21-16-5-1. The minimum
31 number of members who must be physically present at the place
32 where the meeting is conducted must be the greater of:

33 (A) two (2) of the members; or

34 (B) one-third (1/3) of the members.

35 (2) All votes of the governing body during the electronic meeting
36 must be taken by roll call vote.

37 Nothing in this section affects the public's right under this chapter to
38 attend a meeting of the governing body at the place where the meeting
39 is conducted and the minimum number of members is physically
40 present as provided for in subdivision (1).

41 (d) Each member of the governing body is required to physically
42 attend at least one (1) meeting of the governing body annually.

43 (e) Unless a policy adopted by a governing body under subsection
44 (g) provides otherwise, a member who participates in a meeting by
45 electronic communication:

46 (1) is considered to be present at the meeting;

47 (2) shall be counted for purposes of establishing a quorum; and

48 (3) may vote at the meeting.

49 (f) A governing body may not conduct meetings using a means of
50 electronic communication until the governing body:

- 1 (1) meets all requirements of this chapter; and
- 2 (2) by a favorable vote of a majority of the members of the
- 3 governing body, adopts a policy under subsection (g) governing
- 4 participation in meetings of the governing body by electronic
- 5 communication.
- 6 (g) A policy adopted by a governing body to govern participation in
- 7 the governing body's meetings by electronic communication may do
- 8 any of the following:
 - 9 (1) Require a member to request authorization to participate in a
 - 10 meeting of the governing body by electronic communication
 - 11 within a certain number of days before the meeting to allow for
 - 12 arrangements to be made for the member's participation by
 - 13 electronic communication.
 - 14 (2) Subject to subsection (e), limit the number of members who
 - 15 may participate in any one (1) meeting by electronic
 - 16 communication.
 - 17 (3) Limit the total number of meetings that the governing body
 - 18 may conduct in a calendar year by electronic communication.
 - 19 (4) Limit the number of meetings in a calendar year in which any
 - 20 one (1) member of the governing body may participate by
 - 21 electronic communication.
 - 22 (5) Provide that a member who participates in a meeting by
 - 23 electronic communication may not cast the deciding vote on any
 - 24 official action.
 - 25 (6) Require a member participating in a meeting by electronic
 - 26 communication to confirm in writing the votes cast by the
 - 27 member during the meeting within a certain number of days after
 - 28 the date of the meeting.
 - 29 (7) Provide that in addition to the location where a meeting is
 - 30 conducted, the public may also attend some or all meetings of the
 - 31 governing body, excluding executive sessions, at a public place
 - 32 or public places at which a member is physically present and
 - 33 participates by electronic communication. If the governing body's
 - 34 policy includes this provision, a meeting notice must provide the
 - 35 following information:
 - 36 (A) The identity of each member who will be physically
 - 37 present at a public place and participate in the meeting by
 - 38 electronic communication.
 - 39 (B) The address and telephone number of each public place
 - 40 where a member will be physically present and participate by
 - 41 electronic communication.
 - 42 (C) Unless the meeting is an executive session, a statement
 - 43 that a location described in clause (B) will be open and
 - 44 accessible to the public.
 - 45 (8) Require at least a quorum of members to be physically present
 - 46 at the location where the meeting is conducted.
 - 47 (9) Provide that a member participating by electronic
 - 48 communication may vote on official action only if, subject to
 - 49 subsection (e), a specified number of members:
 - 50 (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 SECTION 5. IC 20-24-1-2.5 IS ADDED TO THE INDIANA CODE
 14 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 15 1, 2013]: **Sec. 2.5. "Authorizer" means, for a charter school, one (1)**
 16 **of the following:**

- 17 **(1) A governing body.**
 18 **(2) A state educational institution that offers a four (4) year**
 19 **baccalaureate degree.**
 20 **(3) The executive (as defined in IC 36-1-2-5) of a consolidated**
 21 **city.**
 22 **(4) The charter board.**
 23 **(5) A nonprofit college or university that provides a four (4)**
 24 **year educational program for which it awards a**
 25 **baccalaureate or more advanced degree, including the**
 26 **following:**

27 **Anderson University**
 28 **Bethel College**
 29 **Butler University**
 30 **Calumet College of St. Joseph**
 31 **DePauw University**
 32 **Earlham College**
 33 **Franklin College**
 34 **Goshen College**
 35 **Grace College**
 36 **Hanover College**
 37 **Holy Cross College**
 38 **Huntington University**
 39 **Indiana Tech**
 40 **Indiana Wesleyan University**
 41 **Manchester College**
 42 **Marian University**
 43 **Martin University**
 44 **Oakland City University**
 45 **Rose-Hulman Institute of Technology**
 46 **Saint Joseph's College**
 47 **Saint Mary-of-the-Woods College**
 48 **Saint Mary's College**
 49 **Taylor University**
 50 **Trine University**
 51 **University of Evansville**

1 **University of Indianapolis**
 2 **University of Notre Dame**
 3 **University of Saint Francis**
 4 **Valparaiso University**
 5 **Wabash College.**

6 SECTION 6. IC 20-24-1-3, AS ADDED BY P.L.1-2005, SECTION
 7 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,
 8 2013]: Sec. 3. "Charter" means a contract between an organizer and a
 9 **sponsor an authorizer** for the establishment of a charter school.

10 SECTION 7. IC 20-24-1-9 IS REPEALED [EFFECTIVE JULY 1,
 11 2013]. Sec. 9. "Sponsor" means, for a charter school, one (1) of the
 12 following:

- 13 (1) A governing body.
 14 (2) A state educational institution that offers a four (4) year
 15 baccalaureate degree.
 16 (3) The executive (as defined in IC 36-1-2-5) of a consolidated
 17 city.
 18 (4) The charter board.
 19 (5) A nonprofit college or university that provides a four (4) year
 20 educational program for which it awards a baccalaureate or more
 21 advanced degree, including the following:

22 Anderson University
 23 Bethel College
 24 Butler University
 25 Calumet College of St. Joseph
 26 DePauw University
 27 Earlham College
 28 Franklin College
 29 Goshen College
 30 Grace College
 31 Hanover College
 32 Holy Cross College
 33 Huntington University
 34 Indiana Tech
 35 Indiana Wesleyan University
 36 Manchester College
 37 Marian University
 38 Martin University
 39 Oakland City University
 40 Rose-Hulman Institute of Technology
 41 Saint Joseph's College
 42 ~~Saint Mary-of-the-Woods College~~
 43 Saint Mary's College
 44 Taylor University
 45 Trine University
 46 University of Evansville
 47 University of Indianapolis
 48 University of Notre Dame
 49 University of Saint Francis
 50 Valparaiso University
 51 Wabash College.

1 SECTION 8. IC 20-24-1-6.1 IS ADDED TO THE INDIANA CODE
 2 AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY
 3 1, 2013]: **Sec. 6.1. "Education service provider" means a for profit**
 4 **education management organization, nonprofit charter**
 5 **management organization, school design provider, or any other**
 6 **partner entity with which a charter school intends to contract for**
 7 **educational design, implementation, or comprehensive**
 8 **management.**

9 SECTION 9. IC 20-24-2.1-1, AS ADDED BY P.L.91-2011,
 10 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JULY 1, 2013]: Sec. 1. (a) The Indiana charter school board is
 12 established for the purpose of ~~sponsoring~~ **authorizing** charter schools
 13 throughout Indiana.

14 (b) The charter board is a statewide charter school ~~sponsor~~
 15 **authorizer** composed of the following seven (7) members appointed
 16 to four (4) year terms:

17 (1) Two (2) members, who may not be members of the same
 18 political party, appointed by the governor.

19 (2) One member who has previous experience with or on behalf
 20 of charter schools appointed by the state superintendent.

21 (3) Four (4) members, who may not be legislators, appointed as
 22 follows:

23 (A) One (1) member appointed by the president pro tempore
 24 of the senate.

25 (B) One (1) member appointed by the minority leader of the
 26 senate.

27 (C) One (1) member appointed by the speaker of the house of
 28 representatives.

29 (D) One (1) member appointed by the minority leader of the
 30 house of representatives.

31 **A member appointed under this subsection may not be removed by**
 32 **the member's appointing authority without cause before the end of**
 33 **the full four (4) year term.**

34 (c) The governor shall appoint the chairperson of the charter board.

35 (d) A majority of the members appointed to the charter board
 36 constitutes a quorum. The affirmative votes of a majority of the voting
 37 members appointed to the charter board are required for the charter
 38 board to take action.

39 (e) Each member of the charter board who is not a state employee
 40 is entitled to the minimum salary per diem provided by
 41 IC 4-10-11-2.1(b). The member is also entitled to reimbursement for
 42 traveling expenses as provided under IC 4-13-1-4 and other expenses
 43 actually incurred in connection with the member's duties as provided
 44 in the state policies and procedures established by the Indiana
 45 department of administration and approved by the budget agency.

46 **(f) Members appointed to the charter board must collectively**
 47 **possess strong experience and expertise in:**

48 **(1) public and nonprofit governance;**

49 **(2) management;**

50 **(3) finance;**

51 **(4) public school leadership;**

- 1 **(5) higher education;**
 2 **(6) school assessments, curriculum, and instruction; and**
 3 **(7) public education law.**

4 SECTION 10. IC 20-24-2.1-2, AS ADDED BY P.L.91-2011,
 5 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JULY 1, 2013]: Sec. 2. The charter board, with assistance from the
 7 department, shall:

- 8 (1) establish a process to:
 9 (A) review a proposal to establish a charter school under
 10 IC 20-24-3-4;
 11 (B) make a decision on the proposal as required under
 12 IC 20-24-3-9; and
 13 (C) monitor charter schools ~~sponsored~~ **authorized** by the
 14 charter board; and
 15 (2) publish guidelines concerning the review process described in
 16 subdivision (1);

17 not later than December 31, 2011.

18 SECTION 11. IC 20-24-2.2-1, AS ADDED BY P.L.91-2011,
 19 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 JULY 1, 2013]: Sec. 1. The department shall establish a charter school
 21 page on the department's Internet web site that includes information on
 22 the following:

- 23 (1) All approved ~~sponsors; authorizers~~, including the ~~sponsors'~~
 24 **authorizers'** processes for the following:
 25 (A) Monitoring approved schools at regular intervals.
 26 (B) Establishing minimum standards for renewing a charter or
 27 not renewing a charter.
 28 (C) Processes and standards for school closure, including the
 29 transfer of academic records to other schools and
 30 postsecondary educational institutions.
 31 (2) All pending applications for a charter.
 32 (3) All approved applications for a charter.
 33 (4) All rejected applications for a charter.
 34 ~~(5) Annual performance data that includes the same demographic~~
 35 ~~and performance data required from school corporations.~~
 36 **(5) The authorizer's annual report as required under**
 37 **IC 20-24-9.**

38 SECTION 12. IC 20-24-2.2-1.5 IS ADDED TO THE INDIANA
 39 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 40 [EFFECTIVE JULY 1, 2013]: **Sec. 1.5. All approved authorizers**
 41 **shall adopt standards of quality charter school authorizing, as**
 42 **defined by a nationally recognized organization with expertise in**
 43 **charter school authorizing.**

44 SECTION 13. IC 20-24-2.2-2, AS ADDED BY P.L.91-2011,
 45 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 46 JULY 1, 2013]: Sec. 2. The minimum standards for renewal and the
 47 standards to avoid closure imposed by ~~sponsors~~ **authorizers** on the
 48 charter school in the charter school agreement must include a
 49 requirement that the charter school not ~~fall within the application of~~
 50 ~~IC 20-31-9-4, notwithstanding IC 20-31-9-1.~~ **remain in the lowest**

1 **category or designation of school improvement, including any**
 2 **alternative accountability category or designation, in the third year**
 3 **after initial placement in the lowest category or designation**
 4 **established under IC 20-31-8-4.**

5 SECTION 14. IC 20-24-2.2-3, AS AMENDED BY P.L.6-2012,
 6 SECTION 128, IS AMENDED TO READ AS FOLLOWS
 7 [EFFECTIVE JULY 1, 2013]: Sec. 3. (a) After giving at least thirty
 8 (30) days notice, the state board may require a **sponsor an authorizer**
 9 to appear at a hearing conducted by the state board if the **sponsor**
 10 **authorizer** has renewed the charter of or failed to close a charter
 11 school that does not meet the minimum standards in the charter
 12 agreement **as provided in section 2 of this chapter**, as posted on the
 13 department's Internet web site.

14 (b) After the hearing, the state board may implement one (1) or
 15 more of the following actions unless the state board finds sufficient
 16 justification for the charter school's performance under the state school
 17 accountability system:

18 (1) Transfer the **sponsorship authorization** of the charter school
 19 identified in subsection (a) to ~~the charter board:~~ **another**
 20 **authorizer.**

21 (2) Order the closure of the charter school identified in subsection
 22 (a) ~~on the date set by the state board:~~ **at the end of the current**
 23 **school year.**

24 (3) Order the reduction of any administrative fee collected under
 25 IC 20-24-7-4 that is applicable to the charter school identified in
 26 subsection (a). ~~to an amount not greater than fifty percent (50%)~~
 27 ~~of the amount allowed under IC 20-24-7-4.~~ **The reduction must**
 28 **become effective at the beginning of the month following the**
 29 **month of the authorizer's hearing before the state board.**

30 **A charter school that is closed by the state board under this section**
 31 **may not be granted a charter by any other authorizer.**

32 (c) In determining whether to impose consequences under
 33 subsection (b), the state board must consider the following:

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

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

39 (3) Annual improvement in the performance of students enrolled
 40 in the charter school, as measured by IC 20-31-8-1, compared
 41 with the performance of students enrolled in the charter school in
 42 the immediately preceding school year.

43 SECTION 15. IC 20-24-2.2-4, AS ADDED BY P.L.91-2011,
 44 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 45 JULY 1, 2013]: Sec. 4. If the state board has closed or transferred
 46 **sponsorship authorization** of at least twenty-five percent (25%) of the
 47 charter schools chartered by one (1) **sponsor authorizer** under section
 48 3 of this chapter, the **sponsor's authorizer's** authority to **sponsor**
 49 **authorize** new charter schools may be suspended by the state board
 50 until the state board approves the **sponsor authorizer** to **sponsor**

1 **authorize** new charter schools. A determination under this section to
 2 suspend a ~~sponsor's~~ **an authorizer's** authority to ~~sponsor~~ **authorize**
 3 new charter schools must identify the deficiencies that, if corrected,
 4 will result in the approval of the ~~sponsor~~ **authorizer** to ~~sponsor~~
 5 **authorize** new charter schools.

6 SECTION 16. IC 20-24-2.2-5 IS ADDED TO THE INDIANA
 7 CODE AS A NEW SECTION TO READ AS FOLLOWS
 8 [EFFECTIVE JULY 1, 2013]: **Sec. 5. (a) The purpose of this section**
 9 **is to establish a cooperative relationship:**

- 10 (1) **between the department and an authorizer; and**
 11 (2) **that fosters improved decision making related to charter**
 12 **schools authorized by the authorizer.**

13 (b) **As used in this section, "covered records" refers to the**
 14 **following:**

- 15 (1) **Education records (as defined in 20 U.S.C. 1232g(a)(4), as**
 16 **in effect January 1, 2013) of students who enrolled in a**
 17 **charter school authorized by an authorizer that are in the**
 18 **possession of the department or the state board.**
 19 (2) **Records in the possession of the department or the state**
 20 **board that relate to the evaluation of the performance of a**
 21 **charter school authorized by an authorizer or students who**
 22 **are enrolled in a charter school authorized by an authorizer.**
 23 (3) **Records in the possession of the department or the state**
 24 **board that relate to the evaluation of the performance of**
 25 **certified employees employed by a charter school authorized**
 26 **by an authorizer.**
 27 (4) **Records in the possession of the department or the state**
 28 **board related to the evaluation of the performance of an**
 29 **authorizer.**

30 (c) **Notwithstanding IC 5-14-3 or any other law, the department**
 31 **shall provide, without charge, an authorizer with either:**

- 32 (1) **electronic access to; or**
 33 (2) **written copies of;**

34 **covered records, as requested by the authorizer, that relate to a**
 35 **charter school authorized by the authorizer or to the students or**
 36 **certified employees of the charter school. The department shall**
 37 **provide the covered records on a schedule determined by the**
 38 **authorizer.**

39 (d) **The department shall provide, without charge, an authorizer**
 40 **with a summary of the covered records that relate to a charter**
 41 **school authorized by the authorizer or to the students or certified**
 42 **employees of the charter school. The department shall provide the**
 43 **summary described in this subsection to the authorizer at least**
 44 **once each month. The authorizer may receive either paper copies**
 45 **of the summary or copies of the summary transmitted**
 46 **electronically, at the option of the authorizer. The summary must**
 47 **be sufficiently detailed to identify each category or collection of**
 48 **covered records. The department and the authorizer shall consult**
 49 **one another as necessary to carry out this section.**

50 (e) **An authorizer may use covered records received under this**
 51 **section only to:**

- 1 **(1) administer a charter authorization program;**
- 2 **(2) monitor and evaluate compliance with state standards;**
- 3 **(3) identify educational weaknesses in charter school**
- 4 **programs; or**
- 5 **(4) improve charter school performance.**

6 **(f) An authorizer shall protect covered records received by the**
 7 **authorizer in a manner that will not permit the personal**
 8 **identification of students and their parents by persons other than**
 9 **officials of the authorizer who are directly involved in the**
 10 **authorization program or involved with studies related to charter**
 11 **schools authorized by the authorizer. An authorizer shall destroy**
 12 **personally identifiable data when the information is no longer**
 13 **needed for purposes of audit, evaluation, and enforcement of state**
 14 **and federal requirements related to the charter schools authorized**
 15 **by the authorizer.**

16 SECTION 17. IC 20-24-2.2-6 IS ADDED TO THE INDIANA
 17 CODE AS A NEW SECTION TO READ AS FOLLOWS
 18 [EFFECTIVE JULY 1, 2013]: **Sec. 6. (a) If the deficiencies identified**
 19 **under section 3 of this chapter are not corrected within two (2)**
 20 **years after the date the state board suspends the authorizer's**
 21 **authority to authorize new charter schools in a final order under**
 22 **section 4 of this chapter, the state board, following an affirmative**
 23 **vote of two-thirds (2/3) of the members, may revoke the**
 24 **authorizer's authority to function as an authorizer. The state board**
 25 **shall take all necessary steps to decommission the authorizer,**
 26 **including overseeing the orderly winding up of authorization**
 27 **activities or responsibilities, and ensuring the transfer of any**
 28 **charter school records or administrative fees due under**
 29 **IC 20-24-7-4 in the authorizer's custody.**

30 **(b) Charter schools authorized by an authorizer that has been**
 31 **decommissioned under subsection (a) must apply to be approved**
 32 **by another authorizer within one hundred fifty (150) days after the**
 33 **date the state board revokes the authorizer's authority to function**
 34 **as an authorizer, regardless of whether the state board has begun**
 35 **the process of winding up authorization activities of the authorizer.**
 36 **A charter school that is not approved under this subsection must**
 37 **close at the end of the charter school's current school year**
 38 **containing the date in which the charter school's application under**
 39 **this subsection is disapproved. A charter school that is closed by**
 40 **the state board under section 3 of this chapter may not be**
 41 **approved by another authorizer under this subsection.**

42 SECTION 18. IC 20-24-2.2-7 IS ADDED TO THE INDIANA
 43 CODE AS A NEW SECTION TO READ AS FOLLOWS
 44 [EFFECTIVE JULY 1, 2013]: **Sec. 7. An entity may relinquish its**
 45 **authorizer status by providing the state board a written statement**
 46 **describing the authorizer's intention not to be considered an**
 47 **authorizer and the reasons why the authorizer wishes to relinquish**
 48 **its authorizer status. The written statement must reflect the**
 49 **intention of the authorizer's governing body. The state board shall**
 50 **review and act on the authorizer's written statement and shall take**
 51 **all steps necessary to decommission the authorizer, including**

1 overseeing the orderly winding up of authorization activities, and
 2 ensuring the transfer of any charter school records or
 3 administrative fee balances due under IC 20-24-7-4 in the
 4 authorizer's custody.

5 SECTION 19. IC 20-24-2.3 IS ADDED TO THE INDIANA CODE
 6 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 2013]:

8 **Chapter 2.3. Indianapolis Charter School Board**

9 **Sec. 1. This chapter applies only to an authorizer that is the**
 10 **executive of a consolidated city.**

11 **Sec. 2. As used in this chapter, "executive" has the meaning set**
 12 **forth in IC 36-1-2-5(2).**

13 **Sec. 3. (a) The Indianapolis charter school board is established.**

14 **(b) The Indianapolis charter school board is composed of the**
 15 **following nine (9) members appointed to four (4) year terms:**

16 **(1) Six (6) members are appointed by the executive.**

17 **(2) Three (3) members are appointed by the president of the**
 18 **city-county council for the consolidated city.**

19 **(c) The executive shall appoint the chairperson of the**
 20 **Indianapolis charter school board.**

21 **(d) A majority of the members appointed to the Indianapolis**
 22 **charter school board constitutes a quorum. The affirmative votes**
 23 **of a majority of the voting members appointed to the Indianapolis**
 24 **charter school board are required for the Indianapolis charter**
 25 **school board to take action.**

26 **Sec. 4. The Indianapolis charter school board, with assistance**
 27 **from the executive's office, shall establish a process to:**

28 **(1) review a proposal to establish a charter school under**
 29 **IC 20-24-3-4; and**

30 **(2) make a decision on the proposal and communicate the**
 31 **Indianapolis charter school board's decision to the executive's**
 32 **office with respect to the Indianapolis charter school board's**
 33 **decision to accept or reject the proposal;**

34 **and the executive shall notify an organizer of the Indianapolis**
 35 **charter school board's decision as required under IC 20-24-3-9.**

36 **Sec. 5. The executive's office shall provide staff to carry out the**
 37 **duties of the Indianapolis charter school board under this chapter.**

38 SECTION 20. IC 20-24-3-1, AS ADDED BY P.L.1-2005,
 39 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JULY 1, 2013]: Sec. 1. ~~A sponsor~~ **An authorizer** may grant a charter
 41 to an organizer to operate a charter school under this article.

42 SECTION 21. IC 20-24-3-2, AS ADDED BY P.L.1-2005,
 43 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 44 JULY 1, 2013]: Sec. 2. ~~A sponsor~~ **An authorizer** may not grant a
 45 charter to a for-profit organizer.

46 SECTION 22. IC 20-24-3-2.5 IS ADDED TO THE INDIANA
 47 CODE AS A NEW SECTION TO READ AS FOLLOWS
 48 [EFFECTIVE JULY 1, 2013]: **Sec. 2.5. If a proposed charter school**
 49 **intends to contract with an education service provider for**
 50 **substantial educational services, management services, or both**
 51 **educational services and management services, the request for**

1 proposals shall require the applicants to provide the following:

2 (1) Evidence of the education service provider's success in
3 serving student populations similar to the targeted
4 populations, including demonstrated academic achievement
5 as well as successful management of nonacademic school
6 functions, if applicable.

7 (2) A term sheet setting forth the:

8 (A) proposed duration of the service contract;

9 (B) roles and responsibilities of the organizer, the school
10 staff, and the education service provider;

11 (C) performance evaluation measures and timelines;

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

14 (E) methods of contract oversight and enforcement;

15 (F) investment disclosure; and

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

17 (3) A disclosure statement to explain any existing or potential
18 conflicts of interest between the organizer and the proposed
19 education service provider or any affiliated business entities.

20 (4) Assurance that the organizer will be structurally
21 independent of the education service provider and shall set
22 and approve school policies. The assurance must also provide
23 that the terms of the service contract must be reached by the
24 organizer and the education service provider through arms
25 length negotiations in which the organizer must be
26 represented by legal counsel. The legal counsel may not also
27 represent the education service provider.

28 SECTION 23. IC 20-24-3-3, AS ADDED BY P.L.1-2005,
29 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
30 JULY 1, 2013]: Sec. 3. The organizer's constitution, charter, articles,
31 or bylaws must contain a clause providing that upon dissolution:

32 (1) ~~all remaining assets, except funds specified in subdivision (2);~~
33 ~~shall be used for nonprofit educational purposes; the remaining~~
34 ~~assets of the charter school shall be distributed first to satisfy~~
35 ~~outstanding payroll obligations for employees of the charter~~
36 ~~school, then to creditors of the charter school, then to any~~
37 ~~outstanding debt to the common school fund; and~~

38 (2) remaining funds received from the department shall be
39 returned to the department not more than thirty (30) days after
40 dissolution.

41 **If the assets of the charter school are insufficient to pay all parties**
42 **to whom the charter school owes compensation under subdivision**
43 **(1), the priority of the distribution of assets may be determined by**
44 **a court.**

45 SECTION 24. IC 20-24-3-4, AS AMENDED BY P.L.91-2011,
46 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
47 JULY 1, 2013]: Sec. 4. (a) An organizer may submit to the ~~sponsor~~
48 **authorizer** a proposal to establish a charter school.

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

50 (1) Identification of the organizer.

51 (2) A description of the organizer's organizational structure and

- 1 governance plan.
- 2 (3) The following information for the proposed charter school:
- 3 (A) Name.
- 4 (B) Purposes.
- 5 (C) Governance structure.
- 6 (D) Management structure.
- 7 (E) Educational mission goals.
- 8 (F) Curriculum and instructional methods.
- 9 (G) Methods of pupil assessment.
- 10 (H) Admission policy and criteria, subject to IC 20-24-5.
- 11 (I) School calendar.
- 12 (J) Age or grade range of students to be enrolled.
- 13 (K) A description of staff responsibilities.
- 14 (L) A description of the physical plant.
- 15 (M) Budget and financial plans.
- 16 (N) Personnel plan, including methods for selection, retention,
- 17 and compensation of employees.
- 18 (O) Transportation plan.
- 19 (P) Discipline program.
- 20 (Q) Plan for compliance with any applicable desegregation
- 21 order.
- 22 (R) The date when the charter school is expected to:
- 23 (i) begin school operations; and
- 24 (ii) have students attending the charter school.
- 25 (S) The arrangement for providing teachers and other staff
- 26 with health insurance, retirement benefits, liability insurance,
- 27 and other benefits.
- 28 (T) Any other applications submitted to a **sponsor an**
- 29 **authorizer** in the previous five (5) years.
- 30 (4) The manner in which the **sponsor authorizer** must conduct an
- 31 annual audit of the program operations of the charter school.
- 32 (c) This section does not waive, limit, or modify the provisions of:
- 33 (1) IC 20-29 in a charter school where the teachers have chosen
- 34 to organize under IC 20-29; or
- 35 (2) an existing collective bargaining agreement for noncertificated
- 36 employees (as defined in IC 20-29-2-11).
- 37 SECTION 25. IC 20-24-3-5 IS REPEALED [EFFECTIVE JULY 1,
- 38 2013]. Sec. 5: (a) This section applies only to a sponsor that is the
- 39 executive of a consolidated city:
- 40 (b) Before issuing a charter, the sponsor must receive the approval
- 41 of a majority of the members of the legislative body (as defined in
- 42 IC 36-1-2-9) of the consolidated city for the establishment of a charter
- 43 school. The sponsor may issue charters for charter schools located in
- 44 the consolidated city.
- 45 SECTION 26. IC 20-24-3-5.5, AS ADDED BY P.L.91-2011,
- 46 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 47 JULY 1, 2013]: Sec. 5.5. (a) This section applies to a **sponsor an**
- 48 **authorizer** that is not the executive of a consolidated city.
- 49 (b) Before issuing a charter, the **sponsor authorizer** must conduct
- 50 a public hearing concerning the establishment of the proposed charter

1 school. At the public hearing, the governing body of the school
 2 corporation in which the proposed charter school will be located must
 3 be given an opportunity to comment on the effect of the proposed
 4 charter school on the school corporation, including any foreseen
 5 negative impacts on the school corporation.

6 SECTION 27. IC 20-24-3-7, AS ADDED BY P.L.1-2005,
 7 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 JULY 1, 2013]: Sec. 7. The ~~sponsor~~ **authorizer** may revoke the charter
 9 of a charter school that does not, by the date specified in the charter:

- 10 (1) begin school operations; and
- 11 (2) have students attending the charter school.

12 SECTION 28. IC 20-24-3-8 IS REPEALED [EFFECTIVE JULY 1,
 13 2013]. Sec. 8: ~~Before granting a charter under which more than fifty~~
 14 ~~percent (50%) of the students in a school corporation will attend a~~
 15 ~~charter school; the governing body of the school corporation must~~
 16 ~~receive the approval of the department.~~

17 SECTION 29. IC 20-24-3-9, AS ADDED BY P.L.169-2005,
 18 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JULY 1, 2013]: Sec. 9. ~~A sponsor~~ **An authorizer** must notify an
 20 organizer that submits a proposal under section 4 of this chapter of the:

- 21 (1) acceptance of the proposal; or
- 22 (2) rejection of the proposal;

23 not later than seventy-five (75) days after the organizer submits the
 24 proposal.

25 SECTION 30. IC 20-24-3-10, AS AMENDED BY P.L.91-2011,
 26 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 JULY 1, 2013]: Sec. 10. (a) ~~A sponsor~~ **An authorizer** must notify the
 28 department of the following:

- 29 (1) Receipt of a proposal.
- 30 (2) Acceptance of a proposal.
- 31 (3) Rejection of a proposal, including the reasons for the
 32 rejection.
- 33 (4) The length of time for which a charter is granted.
- 34 (5) School goals, educational program design, and an education
 35 management organization operating a school, if applicable.
- 36 (6) The name and address of the education management
 37 organization, and the name of the chief operating officer of the
 38 education management organization, if applicable.

39 (b) The department shall annually do the following:

- 40 (1) Compile the information received under subsection (a) into a
 41 report.
- 42 (2) Submit the report in an electronic format under IC 5-14-6 to
 43 the legislative council.

44 SECTION 31. IC 20-24-3-11, AS ADDED BY P.L.1-2005,
 45 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 46 JULY 1, 2013]: Sec. 11. If a ~~sponsor~~ **an authorizer** rejects a charter
 47 school proposal, the organizer may:

- 48 (1) amend the charter school proposal and resubmit the proposal
 49 to the same ~~sponsor;~~ **authorizer;**
- 50 (2) submit a charter school proposal to another ~~sponsor;~~

- 1 **authorizer; or**
 2 (3) appeal the decision to the charter school review panel
 3 established by section 12 of this chapter.
 4 SECTION 32. IC 20-24-3-12, AS ADDED BY P.L.1-2005,
 5 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JULY 1, 2013]: Sec. 12. (a) This section applies if the **sponsor**
 7 **authorizer** rejects a proposal.
 8 (b) The organizer may appeal the decision of the **sponsor**
 9 **authorizer** to the charter school review panel established by subsection
 10 (c).
 11 (c) The charter school review panel is established. The members of
 12 the panel are as follows:
 13 (1) The governor or the governor's designee.
 14 (2) The state superintendent, who shall chair the panel.
 15 (3) A member of the state board appointed by the state
 16 superintendent.
 17 (4) A person with financial management experience appointed by
 18 the governor.
 19 (5) A community leader with knowledge of charter school issues
 20 appointed jointly by the governor and the state superintendent.
 21 A member shall serve a two (2) year term and may be reappointed to
 22 the panel upon expiration of the member's term.
 23 (d) All decisions of the panel shall be determined by a majority vote
 24 of the panel's members.
 25 (e) Upon the request of an organizer, the panel shall meet to
 26 consider the organizer's proposal and the ~~sponsor's~~ **authorizer's**
 27 reasons for rejecting the proposal. The panel must allow the organizer
 28 and ~~sponsor~~ **authorizer** to participate in the meeting.
 29 (f) After the panel meets under subsection (e), the panel shall make
 30 one (1) of the following findings and issue the finding to the organizer
 31 and the ~~sponsor~~ **authorizer**:
 32 (1) A finding that supports the ~~sponsor's~~ **authorizer's** rejection of
 33 the proposal.
 34 (2) A finding that:
 35 (A) recommends that the organizer amend the proposal; and
 36 (B) specifies the changes to be made in the proposal if the
 37 organizer elects to amend the proposal.
 38 (3) A finding that approves the proposal.
 39 The panel shall issue the finding not later than forty-five (45) days after
 40 the panel receives the request for review.
 41 (g) If the panel makes a finding described in subsection (f)(1), the
 42 finding is final.
 43 (h) If the panel makes a finding described in subsection (f)(2), the
 44 organizer may amend the proposal according to the panel's
 45 recommendations and resubmit the proposal directly to the panel.
 46 (i) If the panel makes a finding described in subsection (f)(3), the
 47 proposal is considered conditionally approved. The approval shall be
 48 considered final upon delivery to the panel of written notice from the
 49 organizer and an eligible ~~sponsor~~ **authorizer** that the ~~sponsor~~
 50 **authorizer** has agreed to serve as a ~~sponsor~~ **an authorizer** for the

1 proposal approved by the panel.

2 (j) Proposals approved under this section shall not be counted under
3 any numerical limits placed upon a **sponsor an authorizer** or set of
4 ~~sponsors:~~ **authorizers.**

5 SECTION 33. IC 20-24-3-14, AS ADDED BY P.L.1-2005,
6 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7 JULY 1, 2013]: Sec. 14. (a) This section applies to university ~~sponsors:~~
8 **authorizers.**

9 (b) Except as provided in subsection (c), the ultimate responsibility
10 for choosing to ~~sponsor~~ **authorize** a charter school and responsibilities
11 for maintaining ~~sponsorship~~ **authorization** rest with the university's
12 board of trustees.

13 (c) The university's board of trustees may vote to assign ~~sponsorship~~
14 **authorization** authority and ~~sponsorship~~ **authorization** responsibilities
15 to another person or entity that functions under the direction of the
16 university's board. A decision made under this subsection shall be
17 communicated in writing to the department and the charter school
18 review panel.

19 (d) Before a university may ~~sponsor~~ **authorize** a charter school, the
20 university must conduct a public meeting with public notice in the
21 county where the charter school will be located.

22 SECTION 34. IC 20-24-3-16, AS ADDED BY P.L.1-2005,
23 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
24 JULY 1, 2013]: Sec. 16. An entity or multiple divisions of the same
25 entity may not serve simultaneously as both the organizer and the
26 ~~sponsor~~ **authorizer** of the same charter school.

27 SECTION 35. IC 20-24-3-17 IS ADDED TO THE INDIANA
28 CODE AS A **NEW SECTION** TO READ AS FOLLOWS
29 [EFFECTIVE JULY 1, 2013]: **Sec. 17. (a) The department shall**
30 **assign a school corporation identification number for each charter**
31 **school established under this chapter.**

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

38 SECTION 36. IC 20-24-4-1, AS AMENDED BY P.L.91-2011,
39 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
40 JULY 1, 2013]: Sec. 1. (a) A charter must meet the following
41 requirements:

- 42 (1) Be a written instrument.
- 43 (2) Be executed by a ~~sponsor~~ **an authorizer** and an organizer.
- 44 (3) Confer certain rights, franchises, privileges, and obligations
45 on a charter school.
- 46 (4) Confirm the status of a charter school as a public school.
- 47 (5) Be granted for:
 - 48 (A) not less than three (3) years; and
 - 49 (B) a fixed number of years agreed to by the ~~sponsor~~
50 **authorizer** and the organizer.

- 1 (6) Provide for the following:
- 2 (A) A review by the **sponsor authorizer** of the charter school's
- 3 performance, including the progress of the charter school in
- 4 achieving the academic goals set forth in the charter, at least
- 5 one (1) time in each five (5) year period while the charter is in
- 6 effect.
- 7 (B) Renewal, if the **sponsor authorizer** and the organizer
- 8 agree to renew the charter.
- 9 **(C) The renewal application must include guidance from**
- 10 **the authorizer, and the guidance must include the**
- 11 **performance criteria that will guide the authorizer's**
- 12 **renewal decisions.**
- 13 **(D) The renewal application process must, at a minimum,**
- 14 **provide an opportunity for the charter school to:**
- 15 (i) **present additional evidence, beyond the data**
- 16 **contained in the performance report, supporting its case**
- 17 **for charter renewal;**
- 18 (ii) **describe improvements undertaken or planned for**
- 19 **the charter school; and**
- 20 (iii) **detail the charter school's plans for the next charter**
- 21 **term.**
- 22 **(E) Not later than October 1 in the year in which the**
- 23 **charter school seeks renewal of a charter, the governing**
- 24 **board of a charter school seeking renewal shall submit a**
- 25 **renewal application to the charter authorizer under the**
- 26 **renewal application guidance issued by the authorizer. The**
- 27 **authorizer shall make a final ruling on the renewal**
- 28 **application not later than March 1 after the filing of the**
- 29 **renewal application. The March 1 deadline does not apply**
- 30 **to any review or appeal of a final ruling. After the final**
- 31 **ruling is issued, the charter school may obtain further**
- 32 **review by the authorizer of the authorizer's final ruling in**
- 33 **accordance with the terms of the charter school's charter**
- 34 **and the protocols of the authorizer.**
- 35 (7) Specify the grounds for the **sponsor authorizer** to:
- 36 (A) revoke the charter before the end of the term for which the
- 37 charter is granted; or
- 38 (B) not renew a charter.
- 39 (8) Set forth the methods by which the charter school will be held
- 40 accountable for achieving the educational mission and goals of
- 41 the charter school, including the following:
- 42 (A) Evidence of improvement in:
- 43 (i) assessment measures, including the ISTEP and end of
- 44 course assessments;
- 45 (ii) attendance rates;
- 46 (iii) graduation rates (if appropriate);
- 47 (iv) increased numbers of Core 40 diplomas and other
- 48 college and career ready indicators including advanced
- 49 placement participation and passage, dual credit
- 50 participation and passage, and International Baccalaureate
- 51 participation and passage (if appropriate);

- 1 (v) increased numbers of academic honors and technical
 2 honors diplomas (if appropriate);
 3 (vi) student academic growth;
 4 (vii) financial performance and stability; and
 5 (viii) governing board performance and stewardship,
 6 including compliance with applicable laws, rules and
 7 regulations, and charter terms.
- 8 (B) Evidence of progress toward reaching the educational
 9 goals set by the organizer.
- 10 (9) Describe the method to be used to monitor the charter
 11 school's:
 12 (A) compliance with applicable law; and
 13 (B) performance in meeting targeted educational performance.
- 14 (10) Specify that the **sponsor authorizer** and the organizer may
 15 amend the charter during the term of the charter by mutual
 16 consent and describe the process for amending the charter.
- 17 (11) Describe specific operating requirements, including all the
 18 matters set forth in the application for the charter.
- 19 (12) Specify a date when the charter school will:
 20 (A) begin school operations; and
 21 (B) have students attending the charter school.
- 22 (13) Specify that records of a charter school relating to the
 23 school's operation and charter are subject to inspection and
 24 copying to the same extent that records of a public school are
 25 subject to inspection and copying under IC 5-14-3.
- 26 (14) Specify that records provided by the charter school to the
 27 department or **sponsor authorizer** that relate to compliance by the
 28 organizer with the terms of the charter or applicable state or
 29 federal laws are subject to inspection and copying in accordance
 30 with IC 5-14-3.
- 31 (15) Specify that the charter school is subject to the requirements
 32 of IC 5-14-1.5.
- 33 (b) A charter school shall set annual performance targets in
 34 conjunction with the charter school's **sponsor authorizer**. The annual
 35 performance targets shall be designed to help each school meet
 36 applicable federal, state, and **sponsor authorizer** expectations.
- 37 SECTION 37. IC 20-24-4-1.5 IS ADDED TO THE INDIANA
 38 CODE AS A NEW SECTION TO READ AS FOLLOWS
 39 [EFFECTIVE JULY 1, 2013]: **Sec. 1.5. (a) Before an authorizer may**
 40 **issue a charter to an organizer that has had its charter terminated**
 41 **or has been informed that its charter will not be renewed by the**
 42 **organizer's current authorizer, the authorizer must request to have**
 43 **the proposal reviewed by the state board at a hearing. The state**
 44 **board shall conduct a hearing in which the authorizer must present**
 45 **information indicating that the organizer's proposal is**
 46 **substantively different in the areas of deficiency identified by the**
 47 **current authorizer from the organizer's current proposal as set**
 48 **forth within the charter with its current authorizer.**
- 49 (b) **After the state board conducts a hearing under subsection**
 50 **(a), the state board shall either approve or deny the proposal. If the**
 51 **proposal is denied by the state board, the authorizer may not issue**

1 **a charter to the organizer.**

2 SECTION 38. IC 20-24-4-2 IS ADDED TO THE INDIANA CODE
3 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
4 1, 2013]: **Sec. 2. An organizer may hold one (1) or more charter
5 contracts. Each charter school that is part of a charter contract
6 must be separate and distinct from any other charter school.**

7 SECTION 39. IC 20-24-4-3 IS ADDED TO THE INDIANA CODE
8 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
9 1, 2013]: **Sec. 3. (a) In making charter renewal decisions, an
10 authorizer shall:**

11 **(1) make decisions based upon evidence of the school's
12 performance over the term of the charter contract in
13 accordance with the performance framework set forth in the
14 charter contract;**

15 **(2) ensure the data used in making renewal decisions are
16 available to the school and the public; and**

17 **(3) provide a public report summarizing the evidence basis for
18 each decision.**

19 **(b) An authorizer must develop revocation and nonrenewal
20 processes that:**

21 **(1) provide the organizer with a timely notification of
22 revocation or nonrenewal and the reasons for the possible
23 revocation or nonrenewal;**

24 **(2) allow the organizer a reasonable amount of time in which
25 to prepare a response;**

26 **(3) provide the organizer with an opportunity to submit
27 documents and give testimony in support of the continuation
28 of the charter school at a proceeding held for that purpose;**

29 **(4) allow the organizer access to representation by counsel;
30 and**

31 **(5) after a reasonable period for deliberation, require that a
32 final determination be made and conveyed in writing to the
33 organizer.**

34 **(c) If an authorizer revokes or does not renew a charter, the
35 authorizer shall clearly state, in writing, the reasons for the
36 revocation or nonrenewal.**

37 SECTION 40. IC 20-24-5-4, AS AMENDED BY P.L.91-2011,
38 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
39 JULY 1, 2013]: **Sec. 4. (a) Except as provided in this chapter, a charter
40 school may not establish admission policies or limit student admissions
41 in any manner in which a public school is not permitted to establish
42 admission policies or limit student admissions.**

43 **(b) Notwithstanding subsection (a), a charter school may operate as
44 a single gender school if approved to do so by the ~~sponsor~~ authorizer.
45 A single gender charter school must be open to any student of the
46 gender the school serves who resides in Indiana.**

47 SECTION 41. IC 20-24-6-1, AS AMENDED BY P.L.91-2011,
48 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
49 JULY 1, 2013]: **Sec. 1. (a) Individuals who work at a charter school are
50 employees of the charter school or of an entity with which the charter
51 school has contracted to provide services.**

1 (b) Teachers in a conversion charter school may be employees of the
 2 charter school or of both the charter school and the school corporation
 3 that ~~sponsored~~ **authorized** the charter school, as determined by the
 4 provisions of the charter.

5 (c) All benefits accrued by teachers as employees of the conversion
 6 charter school are the financial responsibility of the conversion charter
 7 school.

8 (d) All benefits accrued by a teacher during the time the teacher was
 9 an employee only of the school corporation that ~~sponsored~~ **authorized**
 10 the charter school are the financial responsibility of the school
 11 corporation. The school corporation shall pay those benefits directly or
 12 reimburse the conversion charter school for the cost of the benefits.

13 SECTION 42. IC 20-24-6-8, AS ADDED BY P.L.1-2005,
 14 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 JULY 1, 2013]: Sec. 8. The decision by a ~~sponsor~~ **an authorizer**
 16 whether to grant a charter is not subject to restraint by a collective
 17 bargaining agreement.

18 SECTION 43. IC 20-24-7-8, AS ADDED BY P.L.1-2005,
 19 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 JULY 1, 2013]: Sec. 8. ~~A sponsor~~ **An authorizer** may request and
 21 receive financial reports concerning a charter school from the organizer
 22 at any time.

23 SECTION 44. IC 20-24-7-10, AS ADDED BY P.L.169-2005,
 24 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 JULY 1, 2013]: Sec. 10. (a) The department shall carry out a program
 26 to identify all federal funds for which a charter school is eligible.

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

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

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

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

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

42 (2) The dates on which:

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

45 (B) grants were awarded.

46 (3) The amount of each grant awarded.

47 SECTION 45. IC 20-24-8-3, AS ADDED BY P.L.1-2005,
 48 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 49 JULY 1, 2013]: Sec. 3. For each charter school established under this
 50 article, the charter school and the organizer are accountable to the

1 ~~sponsor authorizer~~ for ensuring compliance with:

- 2 (1) applicable federal and state laws;
 3 (2) the charter; and
 4 (3) the Constitution of the State of Indiana.

5 SECTION 46. IC 20-24-8-8 IS ADDED TO THE INDIANA CODE
 6 AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY
 7 1, 2013]: **Sec. 8. The state shall pay directly to a charter school any**
 8 **federal or state aid attributable to a student with a disability**
 9 **attending the charter school.**

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

14 (1) Results of all standardized testing, including ISTEP program
 15 testing, end of course assessments, and any other assessments
 16 used for each ~~sponsored authorized~~ school.

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

19 **(2) Student growth and improvement data for each authorized**
 20 **school.**

21 (3) Attendance rates for each ~~sponsored authorized~~ school.

22 (4) Graduation rates (if appropriate), including attainment of Core
 23 40 and academic honors diplomas for each ~~sponsored authorized~~
 24 school.

25 (5) Student enrollment data for each ~~sponsored authorized~~
 26 school, including the following:

27 (A) The number of students enrolled.

28 (B) The number of students expelled.

29 (6) Schools that closed or for which the charter was not renewed,
 30 and the reasons for the closure or nonrenewal.

31 **(7) Names of the authorizer's board members or ultimate**
 32 **decision making body.**

33 **(8) Evidence that the authorizer is in compliance with**
 34 **IC 20-24-2.2-1.5.**

35 **(9) A report summarizing the total amount of administrative**
 36 **fees collected by the authorizer and how the fees were**
 37 **expended, if applicable.**

38 SECTION 48. IC 20-24-9-3, AS ADDED BY P.L.1-2005,
 39 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JULY 1, 2013]: Sec. 3. The ~~sponsor authorizer~~ shall oversee a charter
 41 school's compliance with:

- 42 (1) the charter; and
 43 (2) all applicable laws.

44 SECTION 49. IC 20-24-9-4, AS ADDED BY P.L.1-2005,
 45 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 46 JULY 1, 2013]: Sec. 4. Notwithstanding the provisions of the charter,
 47 a ~~sponsor an authorizer~~ that grants a charter may revoke the charter
 48 at any time before the expiration of the term of the charter if, **after the**
 49 **authorizer has notified the school and given reasonable time to**
 50 **correct the issue**, the ~~sponsor authorizer~~ determines that at least one

1 (1) of the following occurs:

- 2 (1) The organizer fails to comply with the conditions **or**
 3 **procedures** established in the charter.
 4 (2) The charter school established by the organizer fails to meet
 5 the educational goals set forth in the charter.
 6 (3) The organizer fails to comply with all applicable laws.
 7 (4) The organizer fails to meet generally accepted **fiscal**
 8 **management and** government accounting principles.
 9 (5) One (1) or more grounds for revocation exist as specified in
 10 the charter.

11 SECTION 50. IC 20-24-9-4.5 IS ADDED TO THE INDIANA
 12 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 13 [EFFECTIVE JULY 1, 2013]: **Sec. 4.5. (a) Before any charter school**
 14 **closure decision, an authorizer shall develop a charter school**
 15 **closure protocol to ensure timely notification to parents, orderly**
 16 **transition of students and student records to new schools, and**
 17 **proper disposition of school funds, property, and assets.**

18 **(b) If a charter school closes for any reason, the authorizer shall**
 19 **oversee and work with the closing charter school to ensure a**
 20 **smooth and orderly closure and transition for students and**
 21 **parents, as guided by the closure protocol.**

22 SECTION 51. IC 20-24-9-5, AS ADDED BY P.L.1-2005,
 23 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 JULY 1, 2013]: Sec. 5. A charter school shall report the following to
 25 the ~~sponsor:~~ **authorizer:**

- 26 (1) Attendance records.
 27 (2) Student performance data.
 28 (3) Financial information.
 29 (4) Any information necessary to comply with state and federal
 30 government requirements.
 31 (5) Any other information specified in the charter.

32 SECTION 52. IC 20-24-9-7, AS AMENDED BY SEA 85-2013,
 33 SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 JULY 1, 2013]: Sec. 7. **If an organizer of a charter school maintains**
 35 **an Internet web site for a charter school,** the organizer of ~~a~~ **the**
 36 charter school shall publish the names of the members of the charter
 37 school's governing body on the **charter** school's Internet web site.

38 SECTION 53. IC 20-24-11-1, AS AMENDED BY P.L.91-2011,
 39 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JULY 1, 2013]: Sec. 1. (a) This section does not apply to an existing
 41 public elementary or secondary school that the governing body of the
 42 school corporation in which the school is located has scheduled for
 43 closure.

44 (b) An existing public elementary or secondary school may be
 45 converted into a charter school if all of the following conditions apply:

- 46 (1) At least fifty-one percent (51%) of the parents of students who
 47 attend the school have signed a petition requesting the
 48 conversion, which must be completed not later than ninety (90)
 49 days after the date of the first signature.
 50 (2) The school has been placed in either of the two (2) lowest

1 categories or designations under IC 20-31-8-3 for two (2)
2 consecutive years.

3 (3) The governing body votes to convert an existing school within
4 the school corporation.

5 (c) Notwithstanding subsection (b), if a governing body operates a
6 school that has been placed in either of the two (2) lowest categories or
7 designations under IC 20-31-8-3 for four (4) consecutive years, the
8 governing body may not serve as that charter school's ~~sponsor:~~
9 **authorizer.**

10 (d) A conversion charter school shall continue to comply with all
11 legal requirements concerning student diversity and treatment of
12 children with special needs and accept all students who attended the
13 school before its conversion and who wish to attend the conversion
14 charter school. If any space remains, any student in Indiana may attend
15 the conversion charter school.

16 SECTION 54. IC 20-39-1-1, AS ADDED BY P.L.2-2006,
17 SECTION 162, IS AMENDED TO READ AS FOLLOWS
18 [EFFECTIVE JULY 1, 2013]: Sec. 1. All public school governing
19 bodies, **except a charter school organizer**, shall adopt and fully and
20 accurately implement a single, unified accounting system as prescribed
21 by the state board and the state board of accounts.

22 SECTION 55. IC 20-39-1-2 IS REPEALED [EFFECTIVE JULY 1,
23 2013]. ~~Sec. 2: Section 1 of this chapter and rules and guidelines~~
24 ~~adopted under section 1 of this chapter apply to a charter school.~~

25 SECTION 56. IC 20-39-1-4 IS ADDED TO THE INDIANA CODE
26 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY
27 1, 2013]: **Sec. 4. Charter school organizers shall adopt and**
28 **accurately implement a single, unified accounting system for**
29 **charter school organizers as prescribed by the state board and the**
30 **state board of accounts. The system, including a chart of accounts**
31 **and all prescribed forms, must enable charter school organizers to**
32 **adopt the accrual basis method of accounting.**

33 SECTION 57. **An emergency is declared for this act.**
(Reference is to EHB 1338 as reprinted April 9, 2013.)

Conference Committee Report
on
Engrossed House Bill 1338

Signed by:

Representative Behning
Chairperson

Senator Kruse

Representative Huston

Senator Yoder

House Conferees

Senate Conferees