

First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

SENATE ENROLLED ACT No. 165

AN ACT to amend the Indiana Code concerning education and to make an appropriation.

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

SECTION 1. IC 20-3.1-2-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 4. "Assessment program" refers to the ~~ISTEP~~ **assessment** program **created under IC 20-10.2-5 and a test approved by the board's plan developed under IC 20-3.1-7.**

SECTION 2. IC 20-3.1-2-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 5. "Assessment test" refers to a test administered to students under the ~~ISTEP~~ **assessment** program **created under IC 20-10.2-5.**

SECTION 3. IC 20-3.1-2-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 8. "Designated grade level" refers to the grade levels tested under the ~~ISTEP~~ **assessment** program **created under IC 20-10.2-5.**

SECTION 4. IC 20-3.1-2-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 10. "~~Expected~~ **Student performance improvement level**" refers to a **level of performance measure, used to place a school in academic receivership, established by the board at a level not less than one (1) standard deviation below the state average for:**

- (1) ~~student attendance rates;~~
- (2) ~~remediation rates;~~

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- (3) scores on assessment tests; and
- (4) graduation rates.

improvement in student academic achievement established by the board, which must be no less rigorous than the performance improvement level established by the assessment program developed under IC 20-10.2-5.

SECTION 5. IC 20-3.1-2-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 20. "State achievement standards" refers to the state achievement standards ~~adopted under IC 20-10.1-17 for the ISTEP program~~ **for which the assessment program developed under IC 20-10.2-5 assesses students.**

SECTION 6. IC 20-3.1-6-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 1. ~~The student performance measures described in sections 2 through 4 of this chapter~~ **IC 20-10.2-5 applies to the school city and its schools. The student performance improvement levels developed under IC 20-3.1-8-1** shall be used by the board to:

- (1) assess;
- (2) report; and
- (3) improve;

the performance of schools, educators, and students in the school city.

SECTION 7. IC 20-3.1-6-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 3. The board shall use **the student performance objectives improvement levels developed under IC 20-3.1-8-1** to:

- (1) implement the ~~school board's~~ plan;
- (2) evaluate school performance;
- (3) publish annual reports; and
- (4) determine academic receivership under IC 20-3.1-14.

SECTION 8. IC 20-3.1-6-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 4. The board shall use **expected student performance improvement** levels to determine whether to place a school in academic receivership under IC 20-3.1-14.

SECTION 9. IC 20-3.1-6-5, AS AMENDED BY P.L.14-2000, SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 5. Each school in the school city shall measure and record:

- (1) the school's **students'** achievement in reaching the school's **student performance objectives improvement levels** established under IC 20-3.1-8;
- (2) student achievement information for the school described in IC 20-1-21-9 and IC 20-1-21-9.5; and



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(3) teacher and administrative performance information for the school described in IC 20-1-21-9.5;

which in each case must be not less rigorous than the student performance improvement levels and information developed and required under IC 20-10.2-5.

SECTION 10. IC 20-3.1-7-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 1. (a) The board shall **modify**, develop, and implement a plan for the improvement of student achievement in the schools within the school city.

(b) A plan **modified**, developed, and implemented under this chapter must be consistent with this article **and with IC 20-10.2.**

SECTION 11. IC 20-3.1-7-2, AS AMENDED BY P.L.8-1999, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 2. The plan **modified**, developed, and implemented under this chapter must do the following:

(1) Provide for efforts to increase support of the schools by the parents of students and the neighborhood communities surrounding the schools.

(2) Establish **student performance objectives improvement levels** for ~~educators and~~ students in each school within the school city **that are not less rigorous than the student performance improvement levels developed under IC 20-10.5.**

(3) Provide opportunity and support for the educators in each school to develop a school plan, including:

(A) traditional or innovative methods and approaches to improve student achievement; and

(B) efficient and cost effective management efforts in the school;

that are ~~consistent developed consistently with general guidelines established by the board: IC 20-3.1-9-1, and with the board's plan developed under this chapter.~~

(4) Require annual reports identifying the progress of student achievement for each school as described in IC 20-1-21-9 and IC 20-1-21-9.5.

(5) Provide for the effective evaluation of each school within the school city and the school's educators, including the consideration of student achievement in the school.

(6) ~~Develop performance awards under IC 20-3.1-12 for extraordinary and outstanding performance by educators:~~

(7) Provide a range of opportunity for remediation of students who:

(A) fail to meet state achievement standards; or

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(B) are at risk of academic failure.

~~(8)~~ (7) Require action to raise the level of performance of a school if the school's students fail to achieve ~~expected student performance~~ **improvement** levels ~~or performance objectives~~ established for the school **under IC 20-3.1-8-1.**

SECTION 12. IC 20-3.1-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 3. The board shall:

- (1) **modify**, develop, and publish the plan required under this chapter ~~not later than December 31, 1995;~~ **in compliance with the timelines of IC 20-10.2;** and
- (2) implement the **modified** plan ~~not later than July 1, 1996;~~ **in compliance with the timelines of IC 20-10.2.**

SECTION 13. IC 20-3.1-7-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 5. (a) The board shall **annually** assess and evaluate educational programs offered by the school city to determine:

- (1) the programs' relationship to improved student achievement; and
 - (2) the programs' educational value in relation to cost.
- (b) The board may obtain information from:
- (1) educators in the schools offering a program;
 - (2) students participating in the program; and
 - (3) the parents of students participating in the program;

in preparing an assessment and evaluation under this section. **The assessment must include the performance of the school's students in achieving student performance improvement levels under IC 20-10.2 and IC 20-3.1-8-1.**

SECTION 14. IC 20-3.1-8-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 1. The board shall establish annual **student** performance ~~objectives~~ **improvement levels** for each school **that are not less rigorous than the student performance improvement levels under IC 20-10.2**, including the following:

- (1) For students:
 - (A) improvement in ~~scores on statewide results on~~ assessment tests and assessment programs;
 - (B) improvement in attendance rates; and
 - (C) improvement in progress toward graduation.
- (2) For teachers:
 - (A) improvement in student ~~scores~~ **results** on assessment tests and assessment programs;
 - (B) improvement in the number and percentage of students

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- achieving state achievement standards and, if applicable, performance levels set by the board, on assessment tests;
- (C) improvement in student progress toward graduation;
- (D) improvement in student attendance rates for the school year;
- (E) improvement in individual teacher attendance rates;
- (F) improvement in communication with parents and parental involvement in classroom and extracurricular activities; and
- (G) other objectives developed by the board.
- (3) For the school and the school administrators:
- (A) improvement in student **scores results** on assessment tests, aggregated by class and grade;
- (B) improvement in the number and percentage of students achieving state achievement standards and, if applicable, performance levels set by the board, on assessment tests, aggregated by class and grade;
- (C) improvement in student graduation rates and in progress toward graduation;
- (D) improvement in student attendance rates;
- (E) management of general fund expenditures per student and total expenditures per student;
- (F) improvement in teacher attendance rates; and
- (G) other objectives developed by the board.

SECTION 15. IC 20-3.1-9-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 1. **(a) IC 20-10.2 applies to the school city. Beginning in the 2004-2005 school year, the composition of any local school improvement committee shall be determined under IC 20-10.2.**

~~(a)~~ **(b)** The plan developed and implemented by the board under IC 20-3.1-7 must contain general guidelines for decisions by the educators in each school to improve student achievement in the school.

~~(b)~~ **(c)** The board's plan shall provide for the publication to other schools within the school city and to the general community those processes, innovations, and approaches that have led individual schools to significant improvement in student achievement.

SECTION 16. IC 20-3.1-11-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 3. A staff performance evaluation plan must do the following:

- (1) Provide for evaluation of ~~each employee's~~ **the school's and the school's educators'** performance based upon **the school's students' performance improvement level under IC 20-3.1-8-1 including** the following:

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(A) For teachers:

- (i) the development and maintenance of parental involvement in classroom and extracurricular activities;
- (ii) Student achievement on assessment tests and assessment programs. and
- (iii) the teacher's attendance rates.

(B) For administrators:

- (i) student attendance rates;
- (ii) Graduation rates.
- (iii) the number of teachers for each student at the school;
- (iv) the number of certified administrators for each student at the school;
- (v) classroom expenditures per student as determined by a formula to be established by the board; and
- (vi)

(C) Scholastic aptitude test scores.

~~(D)~~ (D) Other objective standards developed by the board for measuring student, teacher, and administrator performance **improvement consistent with state academic standards and student performance improvement levels developed under IC 20-3.1-8-1.**

(2) Provide for the continuing professional development and improvement of the performance of the individuals evaluated.

(3) Require periodic assessment of the effectiveness of the plan.

(4) Provide that teachers receive an evaluation twice during each school year.

SECTION 17. IC 20-3.1-11-7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: **Sec. 7. IC 20-6.1-4-5 and IC 20-6.1-4-6 apply to certificated employees in the school city. A teacher's students' performance improvement levels under the assessment tests and programs of IC 20-10.2 may be used as a factor, but not the only factor, to evaluate the performance of a teacher in the school city.**

SECTION 18. IC 20-3.1-14-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 2. (a) ~~Beginning with the 1996-1997 school year, the board may place a school in the school city in academic receivership if the school fails for any four (4) consecutive school years to meet expected performance levels.~~

(b) **In addition to the consequences of IC 20-10.2-6 and beginning with the 1996-1997 2002-2003 school year, the board shall place a school in the school city in academic receivership if the school**

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fails for any two (2) consecutive school years to:

- (1) meet ~~expected student performance improvement~~ levels, and
- (2) achieve the performance objectives established by the board for the school under IC 20-3.1-8.

SECTION 19. IC 20-3.1-14-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 5. (a) If a school is placed in academic receivership, the superintendent and the board must take action to raise the school's level of performance. ~~on each of the performance indicators listed in section 1 of this chapter.~~

(b) **In addition to the consequences of IC 20-10.2-6**, the actions that the superintendent and the board may take to raise the performance of a school in academic receivership include the following:

- (1) Shifting resources of the school city to the school.
- (2) Changing or removing the school principal, teachers, administrators, or other staff.
- (3) Establishing a new educational plan for the school.
- (4) Requiring the superintendent or another school city appointee to administer the school until the academic receivership status of the school is removed.
- (5) Contracting with a for-profit or nonprofit organization or individual to manage the school.
- (6) Closing the school.
- (7) Any other management, personnel, or policy changes that the superintendent and board expect in the following school year to:
 - (A) raise the performance of the school; and
 - (B) avoid continuing academic receivership status for the school.

(c) The provisions of this chapter, if inconsistent with any other law relating to education, teachers, or common schools, govern.

SECTION 20. IC 20-3.1-15-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 1. To provide the board with the necessary flexibility and resources to carry out this article, the following apply:

- (1) The board may eliminate or modify existing policies and create new policies, and alter policies from time to time, subject to this article and the plan developed under IC 20-3.1-7.
- (2) ~~IC 20-7.5 does not apply to matters set forth in this article. The matters set forth in this article may not be the subject of collective bargaining or discussion under IC 20-7.5.~~
- (3) ~~An exclusive representative certified under IC 20-7.5 to represent certified employees of the school city, or any other entity voluntarily recognized by the board as a representative of~~

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employees providing educational services in the schools, may bargain collectively only concerning salary, wages, and salary and wage related fringe benefits. The exclusive representative may not bargain collectively or discuss performance awards under ~~IC 20-3.1-12~~. **Beginning on July 1, 2001, IC 20-7.5 applies to the school city; however, the provision of IC 20-7.5-1-5(a) that requires any items included in the 1972-1973 agreements between an employer school corporation and an employee organization to continue to be bargainable does not apply to the school city.**

~~(4)~~ **(3)** The board of school commissioners may waive the following statutes and rules for any school in the school city without the need for administrative, regulatory, or legislative approval:

(A) The following rules concerning curriculum and instructional time:

- 511 IAC 6.1-3-4
- 511 IAC 6.1-5-0.5
- 511 IAC 6.1-5-1
- 511 IAC 6.1-5-2.5
- 511 IAC 6.1-5-3.5
- 511 IAC 6.1-5-4

(B) The following rules concerning pupil/teacher ratios:

- 511 IAC 6-2-1(b)(2)
- 511 IAC 6.1-4-1

(C) The following statutes and rules concerning textbooks, and rules adopted under the statutes:

- IC 20-10.1-9-1
- IC 20-10.1-9-18
- IC 20-10.1-9-21
- IC 20-10.1-9-23
- IC 20-10.1-9-27
- IC 20-10.1-10-1
- IC 20-10.1-10-2
- 511 IAC 6.1-5-5

(D) The following rules concerning school principals:

- 511 IAC 6-2-1(c)(4)
- 511 IAC 6.1-4-2

(E) 511 IAC 2-2, concerning school construction and remodeling.

~~(5)~~ **(4)** Notwithstanding any other law, a school city may do the following:

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(A) Lease school transportation equipment to others for nonschool use when the equipment is not in use for a school city purpose.

(B) Establish a professional development and technology fund to be used for:

- (i) professional development; or
- (ii) technology, including video distance learning.

(C) Transfer funds obtained from sources other than state or local government taxation among any account of the school corporation, including a professional development and technology fund established under clause (B).

~~(6)~~ (5) Transfer funds obtained from property taxation among the general fund (established under IC 21-2-11) and the school transportation fund (established under IC 21-2-11.5), subject to the following:

(A) The sum of the property tax rates for the general fund and the school transportation fund after a transfer occurs under this subdivision may not exceed the sum of the property tax rates for the general fund and the school transportation fund before a transfer occurs under this clause.

(B) This clause does not allow a school corporation to transfer to any other fund money from the debt service fund (established under IC 21-2-4).

SECTION 21. IC 20-5.5 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

ARTICLE 5.5. CHARTER SCHOOLS

Chapter 1. Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Board" refers to the Indiana state board of education established by IC 20-1-1-1.

Sec. 3. "Charter" means a contract between an organizer and a sponsor for the establishment of a charter school.

Sec. 4. "Charter school" means a public elementary school or secondary school established under this article that:

- (1) is nonsectarian and nonreligious; and
- (2) operates under a charter.

Sec. 5. "Conversion charter school" means a charter school established under IC 20-5.5-11 by the conversion of an existing school into a charter school. "Existing school" includes a new school to which students from other schools in the school

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corporation are assigned or transferred.

Sec. 6. "Department" refers to the department of education established by IC 20-1-1.1-2.

Sec. 7. "Elementary school" has the meaning set forth in IC 20-10.1-1-15.

Sec. 8. "Governing body" has the meaning set forth in IC 20-10.1-1-5.

Sec. 9. "Organizer" means a group or an entity that:

(1) has been determined by the Internal Revenue Service to be operating under not-for-profit status or has applied for such determination; and

(2) enters into a contract under this article to operate a charter school.

Sec. 10. "Parent" has the meaning set forth in IC 20-1-1.8-8.

Sec. 11. "Proposal" refers to a proposal from an organizer to establish a charter school.

Sec. 12. "Public school" has the meaning set forth in IC 20-10.1-1-2.

Sec. 13. "School corporation" has the meaning set forth in IC 20-10.1-1-1.

Sec. 14. "Secondary school" means a high school (as defined in IC 20-10.1-1-16).

Sec. 15. "Sponsor" means the following:

(1) For a charter school, one (1) of the following:

(A) A governing body.

(B) A state educational institution (as defined in IC 20-12-0.5-1) that offers a four (4) year baccalaureate degree.

(C) The executive (as defined in IC 36-1-2-5) of a consolidated city.

Sec. 16. "Teacher" has the meaning set forth in IC 20-6.1-1-8.

Chapter 2. Description

Sec. 1. A charter school may be established under this article to provide innovative and autonomous programs that do the following:

(1) Serve the different learning styles and needs of public school students.

(2) Offer public school students appropriate and innovative choices.

(3) Afford varied opportunities for professional educators.

(4) Allow public schools freedom and flexibility in exchange for exceptional levels of accountability.

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(5) Provide parents, students, community members, and local entities with an expanded opportunity for involvement in the public school system.

Sec. 2. A charter school is subject to all federal and state laws and constitutional provisions that prohibit discrimination on the basis of the following:

- (1) Disability.
- (2) Race.
- (3) Color.
- (4) Gender.
- (5) National origin.
- (6) Religion.
- (7) Ancestry.

Chapter 3. Establishment

Sec. 1. A sponsor may grant a charter to an organizer to operate a charter school under this article.

Sec. 2. A sponsor may not grant a charter to a for-profit organizer.

Sec. 3. The organizer's constitution, chapter, articles, or bylaws must contain a clause that provides that upon dissolution:

- (1) all remaining assets, except funds specified in subsection (2), shall be used for nonprofit educational purposes; and
- (2) remaining funds received from the department shall be returned to the department not more than thirty (30) days after dissolution.

Sec. 3. (a) An organizer may submit to the sponsor a proposal to establish a charter school.

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

- (1) Identification of the organizer.
- (2) A description of the organizer's organizational structure and governance plan.
- (3) The following information for the proposed charter school:
 - (A) Name.
 - (B) Purposes.
 - (C) Governance structure.
 - (D) Management structure.
 - (E) Educational mission goals.
 - (F) Curriculum and instructional methods.
 - (G) Methods of pupil assessment.
 - (H) Admission policy and criteria, subject to IC 20-5.5-5.
 - (I) School calendar.

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- (J) Age or grade range of pupils to be enrolled.
- (K) A description of staff responsibilities.
- (L) A description and the address of the physical plant.
- (M) Budget and financial plans.
- (N) Personnel plan, including methods for selection, retention, and compensation of employees.
- (O) Transportation plan.
- (P) Discipline program.
- (Q) Plan for compliance with any applicable desegregation order.
- (R) The date when the charter school is expected to:
 - (i) begin school operations; and
 - (ii) have students in attendance at the charter school.
- (S) The arrangement for providing teachers and other staff with health insurance, retirement benefits, liability insurance, and other benefits.
- (4) The manner in which an annual audit of the program operations of the charter school is to be conducted by the sponsor.

(c) This section does not waive, limit, or modify the provisions of:

- (1) IC 20-7.5 in a charter school where the teachers have chosen to organize under IC 20-7.5; or
- (2) an existing collective bargaining agreement for noncertified employees (as defined in IC 20-7.5-1-2.).

Sec. 4. This subsection applies only to a sponsor that is the executive of a consolidated city. Before issuing a charter, the sponsor must receive the approval of a majority of the members of the legislative body (as defined in IC 36-1-2-9) of the consolidated city for the establishment of a charter school. The sponsor may issue charters for charter schools located within the consolidated city.

Sec. 5. (a) Except as provided in subsection (b), if a governing body grants a charter to establish a charter school, the governing body must provide a noncharter school that students of the same age or grade levels may attend.

(b) The department may waive the requirement that a governing body provide a noncharter school under subsection (a) upon the request of the governing body.

Sec. 6. The sponsor may revoke the charter of a charter school that does not, by the date specified in the charter:

- (1) begin school operations; and



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(2) have students in attendance at the charter school.

Sec. 7. Before granting a charter under which more than fifty percent (50%) of the students in the school corporation will attend a charter school, a governing body must receive the approval of the department.

Sec. 8. A sponsor must notify an organizer who submits a proposal under section 3 of this chapter of:

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

not later than sixty (60) days after the organizer submits the proposal.

Sec. 9. (a) A sponsor must notify the department of the following:

- (1) The receipt of a proposal.
- (2) The acceptance of a proposal.
- (3) The rejection of a proposal, including the reasons for the rejection.

(b) The department shall annually do the following:

- (1) Compile the information received under subsection (a) into a report.
- (2) Submit the report to the legislative council.

Sec. 10. If a sponsor rejects a charter school proposal, the organizer may:

- (1) amend the charter school proposal and resubmit the proposal to the same sponsor;
- (2) submit a charter school proposal to another sponsor; or
- (3) appeal the decision to the charter school review panel created in section 11 of this chapter.

Sec. 11. (a) This section applies if the sponsor rejects a proposal.

(b) The organizer may appeal the decision of the sponsor to the charter school review panel created under subsection (c).

(c) The charter school review panel is created. The members of the panel are:

- (1) the governor or his designee;
- (2) the superintendent of public instruction, who shall chair the panel;
- (3) a member of the board appointed by the superintendent of public instruction;
- (4) a person with financial management experience appointed by the governor; and
- (5) a community leader with knowledge of charter school issues appointed jointly by the governor and the

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superintendent of public instruction.

Members shall serve a two (2) year term and may be reappointed to the panel upon expiration of their terms.

(d) All decisions of the panel shall be determined by a majority vote of the panel's members.

(e) Upon the request of an organizer, the panel shall meet to consider the organizer's proposal and the sponsor's reasons for rejecting the proposal. The panel must allow the organizer and sponsor to participate in the meeting.

(f) After the panel meets under subsection (d), the panel shall make one (1) of the following three (3) findings and issue the finding to the organizer and the sponsor:

(1) A finding that supports the sponsor's rejection of the proposal.

(2) A finding that:

(A) recommends that the organizer amend the proposal; and

(B) specifies the changes to be made in the proposal if the organizer elects to amend the proposal.

(3) A finding that approves the proposal.

The panel shall issue the finding not later than forty-five (45) days after the panel receives the request for review.

(g) If the panel makes a finding described in subsection (e)(1) the finding is final.

(h) If the panel makes a finding described in subsection (e)(2) the organizer may amend the proposal according to the panel's recommendations and resubmit the proposal directly to the panel.

(i) If the panel makes a finding described in subsection (e)(3) then the proposal is considered conditionally approved. The approval shall be considered final upon the delivery to the panel of written notice from the organizer and an eligible sponsor, as identified in chapter 1, section 14 of this article, that the sponsor has agreed to serve as a sponsor for the proposal approved by the panel.

(j) Proposals approved under this section shall not be counted under any numerical limits placed upon a sponsor or set of sponsors.

Sec. 12. (a) The department shall monitor the number of charter schools approved by universities;

(b) Within six (6) months after twenty (20) charter schools have been approved by universities, the department shall issue a report to the charter school review panel identifying:



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- (1) the purpose and organization of all charter schools sponsored by universities;
- (2) the procedure by which charter schools have been approved and monitored by university sponsors; and
- (3) recommendations regarding the future of university sponsorships.

(c) The report completed under subsection (b) shall be submitted to the legislative council.

Sec. 13. (a) This section applies to university sponsors.

(b) The ultimate responsibility for choosing to sponsor a charter school and responsibilities for maintaining sponsorship shall rest with the university's board of trustees.

(c) Notwithstanding subsection (b), the university's board of trustees may vote to assign sponsorship authority and sponsorship responsibilities to another person or entity that functions under the direction of the university's board. Any decisions made under this subsection shall be communicated in writing to the department of education and the charter school review panel.

Sec. 14. (a) This section applies to charter schools sponsored by the mayor of a consolidated city.

(b) The number of charter schools shall be not more than five (5) during the 2001 calendar year.

(c) Each subsequent year, the maximum number of charter schools shall increase by five (5).

(d) The limits resulting from subsections (b) and (c) shall be cumulative from year to year.

Sec. 15. No entity or multiple divisions of the same entity may serve simultaneously as both the organizer and the sponsor of the same charter school.

Chapter 4. The Charter

Sec. 1. A charter must do the following:

- (1) Be a written instrument.
- (2) Be executed by a sponsor and an organizer.
- (3) Confer certain rights, franchises, privileges, and obligations on a charter school.
- (4) Confirm the status of a charter school as a public school.
- (5) Be granted for:
 - (A) not less than three (3) years; and
 - (B) a fixed number of years agreed to by the sponsor and the organizer.
- (6) Provide for:
 - (A) a review by the sponsor of the charter school's

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- performance, including the progress of the charter school in achieving the academic goals set forth in the charter, at least one (1) time in each five (5) year period while the charter is in effect; and
- (B) renewal, if the sponsor and the organizer agree to renew the charter.
- (7) Specify the grounds for the sponsor to:
- (A) revoke the charter before the end of the term for which the charter is granted; or
- (B) not renew a charter.
- (8) Set forth the methods by which the charter school is held accountable for achieving the educational mission and goals of the charter school, including the following:
- (A) Evidence of improvement in assessment measures, including ISTEP and Graduation Qualifying Exam, attendance rates, graduation rates (if appropriate), increased numbers of Core 40 diplomas (if appropriate), and increased numbers of academic honors diplomas (if appropriate).
- (B) Evidence of progress toward reaching the educational goals set by the organizer.
- (9) Describe the method to be used to monitor the charter school's:
- (A) compliance with applicable law; and
- (B) performance in meeting targeted educational performance.
- (10) Specify that the sponsor and the organizer may amend the charter during the term of the charter by mutual consent and describe the process for amending the charter.
- (11) Describe specific operating requirements, including all of the matters set forth in the application for the charter.
- (12) Specify a date when the charter school will:
- (A) begin school operations; and
- (B) have students in attendance at the charter school.
- (13) Specify that records of a charter school relating to the school's operation and charter are subject to inspection and copying to the same extent that records of a public school are subject to inspection and copying under IC 5-14-3.
- (14) Specify that records provided by the charter school to the department or sponsor that relate to compliance by the operator with the terms of the charter or applicable state or federal laws are subject to inspection and copying in

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accordance with IC 5-14-3.

(15) Specify that the charter school is subject to the requirements of IC 5-14-1.5.

Chapter 5. Student Admissions and Enrollment

Sec. 1. Except as provided in this chapter, a nonconversion charter school must be open to any student who resides in Indiana. A student may attend a charter school outside the district in which the student resides if the parent determines that an academic program at the charter school would enhance the student's academic opportunities. If the governing body in which the student resides determines that such a transfer would not improve the student's academic opportunities, the governing body may appeal to the board. Within forty-five (45) days of receiving the appeal, the board shall conduct a hearing and decide whether to uphold or reverse the parent's decision to enroll in the charter school. During the board's consideration, the parents of the student shall be allowed to testify, but the governing body shall have the burden of proof for demonstrating that the charter school does not provide additional or unique academic opportunities that exceed those available at the school corporation.

Sec. 2. Except as provided in this chapter, a conversion charter school must be open to any student residing in the local school corporation. By joint agreement of the sponsor and organizer, a conversion charter school may open its enrollment to students outside of the local school corporation.

Sec. 3. Except as provided in this chapter, a charter school may not establish admission policies or limit student admissions in any manner in which a public school is not permitted to establish admission policies or limit student admissions.

Sec. 4. (a) Except as provided in subsections (b), (c), and (d), a charter school must enroll any eligible student who submits a timely application for enrollment.

(b) This subsection applies if the number of applications for a program, class, grade level, or building exceeds the capacity of the program, class, grade level, or building. If a charter school receives a greater number of applications than there are spaces for students, each timely applicant must be given an equal chance of admission.

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

(1) ensure that a student who attends the charter school during a school year may continue to attend the charter

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school in subsequent years; and

(2) allow the siblings of a student who attends a charter school to attend the charter school.

(d) This subsection applies to an existing school that converts to a charter school under IC 20-5.5-11. During the school year in which the existing school converts to a charter school, the charter school may limit admission to:

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

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

Chapter 6. Employment

Sec. 1. Individuals who work at a charter school are employees of the charter school or of an entity with which the charter school has contracted to provide services.

Sec. 2. Individuals must choose to be teachers at a charter school voluntarily, and a charter school shall voluntarily choose such individuals to be its teachers.

Sec. 3. Employees of a charter school may organize and bargain collectively under IC 20-7.5.

Sec. 4. (a) This section applies to a conversion charter school.

(b) After the conversion, the teachers in a conversion charter school remain part of the bargaining unit of the sponsor and are subject to all the provisions of the collective bargaining agreement.

(c) The governing body, the equivalent body of the conversion charter school, and the exclusive representative may by mutual agreement grant a waiver of a specific provision of the collective bargaining agreement.

(d) Noncertificated employees (as defined in IC 20-7.5-1-2) shall remain in existing bargaining units and are covered under existing collective bargaining agreements.

Sec. 5 (a) An individual who teaches in a charter school must either:

(1) hold a license to teach in a public school in Indiana under IC 20-6.1-3; or

(2) be in the process of obtaining a license to teach in a public school in Indiana under the transition to teaching program set forth in IC 20-6.1-3-11.

(b) An individual described in subsection (a)(2) must complete the transition to teaching program not later than three (3) years after beginning to teach at a charter school.

(c) An individual who provides a service to students in a charter school:

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(1) that is not teaching; and
(2) for which a license is required under Indiana law;
must have the appropriate license to provide the service in Indiana.

Sec. 6. A charter school may employ a substitute teacher or an individual who holds a limited license to teach in the same manner in which a noncharter public school may employ a substitute teacher or an individual who holds a limited license to teach.

Sec. 7. (a) A charter school shall participate in the following:

- (1) The Indiana state teachers' retirement fund in accordance with IC 21-6.1.
- (2) The public employees' retirement fund in accordance with IC 5-10.3.

(b) A person who teaches in a charter school is a member of the Indiana state teachers' retirement fund. Service in a charter school is creditable service for purposes of IC 21-6.1.

(c) A person who:

- (1) is a local school employee of a charter school; and
- (2) is not eligible to participate in the Indiana state teachers' retirement fund;

is a member of the public employees' retirement fund.

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

Sec. 8. The decision by a sponsor whether to grant a charter shall not be subject to restraint by the collective bargaining agreement.

Sec. 9. As a school corporation grants a charter to a charter school and individuals choose and are chosen by the charter school to teach in the charter school, the school corporation may make personnel adjustments among its noncharter school teachers that the school corporation believes are necessary or appropriate to match existing resources with existing needs in its noncharter schools. If, as part of such adjustments, the school corporation eliminates a teaching position within the corporation, the legal or contractual provisions, if any, otherwise applicable to the teacher in one (1) of its noncharter schools whose contract with the school corporation is canceled as a result of the elimination of the position within the school corporation shall continue to apply to that teacher.

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Sec. 10. (a) The governing body:

- (1) must grant a transfer of not more than two (2) years; and**
- (2) may grant a transfer for a period of time in addition to the period required in subdivision (1);**

to a teacher of a noncharter school in the school corporation who wishes to teach and has been accepted to teach at a nonconversion charter school.

(b) During the term of the transfer under subsection (a):

- (1) the teacher's seniority status under law continues as if the teacher were an employee of a noncharter school in the school corporation; and**
- (2) the teacher's years as a charter school employee shall not be considered for purposes of permanent or semipermanent status with the school corporation under IC 20-6.1-4.**

Chapter 7. Fiscal Matters

Sec. 1. (a) The organizer is the fiscal agent for the charter school.

(b) The organizer has exclusive control of:

- (1) funds received by the charter school; and**
- (2) financial matters of the charter school.**

(c) The organizer shall maintain separate accountings of all funds received and disbursed by the charter school.

Sec. 2. For purposes of computing:

- (1) state tuition support;**
- (2) state funding for any purpose; or**
- (3) local funding for any purpose except capital projects;**

a charter school student is counted in the same manner as a student of the school corporation in which the charter school student resides.

Sec. 3. (a) Not later than the date established by the department for determining average daily membership under IC 21-3-1.6-1.1(d), the organizer shall submit to the department the following information:

- (1) The number of students enrolled in the charter school.**
- (2) The name of each student and the school corporation in which the student resides.**

(b) After verifying the accuracy of the information reported under subsection (a), the department shall distribute the following to the organizer:

- (1) Tuition support and other state funding for any purpose for students in the charter school.**
- (2) A proportionate share of state and federal funds received**

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for students with disabilities or staff services for students with disabilities for the students with disabilities enrolled in the charter school.

(3) A proportionate share of funds received under federal or state categorical aid programs for students who are eligible for the federal or state aid enrolled in the charter school.

(c) Not later than the date established by the department for determining average daily membership under IC 21-3-1.6-1.1(d), the organizer shall submit to each governing body a report of the total number and names of students from the governing body's school corporation enrolled in the charter school. Upon verifying the accuracy of the information reported, the governing body shall distribute to the organizer a proportionate share of local support for the students enrolled in the charter school in an amount determined under STEP THREE of the following formula:

STEP ONE: Add the revenues obtained by the school corporation's:

(A) general fund property tax levy; and

(B) general fund auto excise and financial institutions tax.

STEP TWO: Divide the sum determined under STEP ONE by the total number of students enrolled in the school corporation.

STEP THREE: Multiply the quotient determined under STEP TWO by the number of students enrolled in the charter school.

(d) The distribution under subsection (b) shall be made on the same schedule as the schedule on which the school corporation receives the funds.

Sec. 4. (a) Services that a school corporation provides to a charter school, including transportation, may be provided at not more than one hundred three percent (103%) of the actual cost of the services.

(b) This subsection applies to a sponsor that is a state educational institution described in IC 20-5.5-1-14(1)(B). A state educational institution may receive from the organizer of a charter school sponsored by the state educational institution an administrative fee equal to not more than three percent (3%) of the total amount the governing body distributes under sections 3(b)(1) and 3(c) of this chapter.

Sec. 5. An organizer may apply for and accept for a charter school:

(1) independent financial grants; or



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(2) funds from public or private sources other than the department.

Sec. 6. With the approval of a majority of the members of the governing body, a school corporation may distribute a proportionate share of the school corporation's capital project fund to a charter school.

Sec. 7. When a charter school uses public funds for the construction, reconstruction, alteration or renovation of a public building, bidding and wage determination laws and all other statutes and rules shall apply.

Sec. 8. A sponsor may request and receive financial reports concerning a charter school from the organizer at any time.

Chapter 8. Powers and Exemptions

Sec. 1. A charter school may do the following:

- (1) Sue and be sued in its own name.
- (2) For educational purposes, acquire real and personal property or an interest in real and personal property by purchase, gift, grant, devise, or bequest.
- (3) Convey property.
- (4) Enter into contracts in its own name, including contracts for services.

Sec. 2. A charter school may not do the following:

- (1) Operate at a site or for grades other than as specified in the charter.
- (2) Charge tuition to any student residing within the school corporation's geographic boundaries. However, a charter school may charge tuition for:
 - (A) a preschool program, unless charging tuition for the preschool program is barred under federal law; or
 - (B) a latch key program;
 if the charter school provides those programs.
- (3) Except for a foreign exchange student who is not a United States citizen, enroll a pupil who is not a resident of Indiana.
- (4) Be located in a private residence.
- (5) Provide home based instruction.

Sec. 3. For each charter school established under this article, the charter school and the organizer are accountable to the sponsor for ensuring compliance with:

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

Sec. 4. Except as specifically provided in this article and the

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statutes listed in section 5 of this chapter, the following do not apply to a charter school:

- (1) Any Indiana statute applicable to a governing body or school corporation.
- (2) A rule or guideline adopted by the Indiana state board of education.
- (3) A rule or guideline adopted by the professional standards board (established by IC 20-1-1.4-2), except for those rules that assist a teacher in gaining or renewing a standard or advanced license.
- (4) A local regulation or policy adopted by a school corporation unless specifically incorporated in the charter.

Sec. 5. The following statutes and rules and guidelines adopted under the following statutes apply to a charter school:

- (1) IC 5-11-1-9 (required audits by the state board of accounts).
- (2) IC 20-1-1.5 (unified accounting system).
- (3) IC 20-1-6 (special education).
- (4) IC 20-5-2-7 and IC 20-6.1-3-7.1 (criminal history).
- (5) IC 20-5-2-3 (subject to laws requiring regulation by state agencies).
- (6) IC 20-6.1-4-15 (void teacher contract when two (2) contracts are signed).
- (7) IC 20-6.1-6-11 (nondiscrimination for teacher marital status).
- (8) IC 20-6.1-6-13 (teacher freedom of association).
- (9) IC 20-6.1-6-15 (school counselor immunity).
- (10) For conversion charter schools only, IC 20-6.1-4, IC 20-6.1-5 and IC 20-6.1-6.
- (11) IC 20-8.1-3 (compulsory school attendance).
- (12) IC 20-8.1-4 (limitations on employment of children).
- (13) IC 20-8.1-5.1-13, IC 20-8.1-5.1-15, and IC 20-8.1-5.1-15.5 (student due process and judicial review).
- (14) IC 20-8.1-5.1-10 (firearms and deadly weapons).
- (15) IC 20-8.1-7 and IC 20-8.1-8 (health and safety measures).
- (16) IC 20-8.1-9-3 (exemption from school fees for eligible families and fee reimbursement).
- (17) IC 20-8.1-9-5 (notice to parents concerning financial assistance).
- (18) IC 20-8.1-12 (reporting of student violations of law).
- (19) IC 20-10.1-2-4 and IC 20-10.1-2-6 (patriotic commemorative observances).

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(20) IC 20-10.1-16, IC 20-10.1-17, or any other statute, rule, or guideline related to standardized testing (assessment programs, including remediation under the assessment programs).

(21) IC 20-10.1-22.4 (parental access to education records).

(22) IC 20-10.2 (accountability for school performance and improvement).

Sec. 6. (a) A charter school may not duplicate a Bureau of Apprenticeship and Training (BAT) approved Building Trades apprenticeship program.

(b) A student in a charter school may not be excluded from participating in a BAT approved Building Trades apprenticeship program that is offered in a non-charter school.

Chapter 9. Oversight and Revocation

Sec. 1. An organizer that has established a charter school shall submit an annual report to the department for informational and research purposes.

Sec. 2. An annual report under this chapter must contain the following information for a charter school:

- (1) Results of all standardized testing, including ISTEP and Graduation Qualifying Exam.
- (2) A description of the educational methods and teaching methods employed.
- (3) Daily attendance records.
- (4) Graduation statistics (if appropriate), including attainment of Core 40 and Academic Honors Diplomas.
- (5) Student enrollment data, including the following:
 - (A) The number of students enrolled.
 - (B) The number of students expelled.
 - (C) The number of students who discontinued attendance at the charter school and the reasons for the discontinuation.

Sec. 3. The sponsor shall oversee a charter school's compliance with:

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

Sec. 4. Notwithstanding the provisions of the charter, a sponsor that grants a charter may revoke the charter at any time before the expiration of the term of the charter if the sponsor determines that at least one (1) of the following occurs:

- (1) The organizer fails to comply with the conditions established in the charter.



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- (2) The charter school established by the organizer fails to meet the educational goals set forth in the charter.
- (3) The organizer fails to comply with all applicable laws.
- (4) The organizer fails to meet generally accepted government accounting principles.
- (5) One (1) or more grounds for revocation exist as specified in the charter.

Sec. 5. A charter school shall report the following to the sponsor:

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

Sec. 6. The organizer of a charter school shall publish an annual performance report that provides the information required under IC 20-1-21-8 in the same manner that a school corporation publishes an annual report under IC 20-1-21.

Chapter 10. Student Transfers From Charter Schools

Sec. 1. A public noncharter school that receives a transfer student from a charter school may not discriminate against the student in any way, including placing the student:

- (1) in an inappropriate age group according to the student's ability;
- (2) below the student's abilities; or
- (3) in a class where the student has already mastered the subject matter.

Chapter 11. Conversion of Existing Schools Into Charter Schools

Sec. 1. An existing public elementary or secondary school may be converted into a charter school if the following conditions apply:

- (1) At least sixty percent (60%) of the teachers at the school have signed a petition requesting the conversion.
- (2) At least fifty-one percent (51%) of the parents of students at the school have signed a petition requesting the conversion.

Sec. 2. If the conditions of section 1 of this chapter are met, the teachers and parents may appoint a committee to act as organizers for the charter school.

Sec. 3. The organizers shall submit a proposal under IC 20-5.5-3 to the governing body of the school corporation in which an existing elementary or secondary school is located to convert the

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existing school into a charter school.

Sec. 4. Only the governing body of the school corporation in which an existing public elementary or secondary school that seeks conversion to a charter school is located may act as the sponsor of the conversion charter school.

SECTION 22. IC 20-6.1-3-11 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 11. (a) As used in this section, "program" refers to the transition to teaching program established by subsection (b).**

(b) The transition to teaching program is established to accomplish the following:

(1) Facilitate the transition into the teaching profession of competent professionals in fields other than teaching.

(2) Allow competent professionals who do not hold a teaching license to earn and be issued a teaching license through participation in and satisfactory completion of the program.

(c) Subject to the requirements of this section, the board shall develop and administer the program. The board shall determine the details of the program that are not included in this section.

(d) Each accredited teacher training school and department shall establish a course of study that constitutes the higher education component of the program. The higher education component required under this subsection must comply with the following requirements:

(1) Include the following study requirements:

(A) For a program participant who seeks to obtain a license to teach in grade 6 through grade 12, up to eighteen (18) credit hours of study or the equivalent that prepare a program participant to meet Indiana standards for teaching in the subject areas corresponding to the area in which the program participant has met the education requirements under subsection (e), unless the program participant demonstrates that the program participant requires fewer credit hours of study to meet Indiana standards for teaching.

(B) For a program participant who seeks to obtain a license to teach in kindergarten through grade 5, twenty-four (24) credit hours of study or the equivalent, which must include at least six (6) credit hours in the teaching of reading, that prepare a program participant to meet Indiana standards for teaching, unless the program

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participant demonstrates that the program participant requires fewer credit hours of study to meet Indiana standards for teaching.

(2) Focus on the communication of knowledge to students.

(3) Include suitable field or classroom experiences if the program participant does not have teaching experience.

(e) A person who wishes to participate in the program must have one (1) of the following qualifications:

(1) For a program participant who seeks to obtain a license to teach in grade 6 through grade 12, one (1) of the following:

(A) A bachelor's degree or the equivalent with a grade point average of three (3.0) on a four (4.0) scale from an accredited institution of higher education in the subject area that the person intends to teach.

(B) A graduate degree from an accredited institution of higher education in the subject area that the person intends to teach.

(C) Both:

(i) a bachelor's degree from an accredited institution of higher education with a grade point average of two and five-tenths (2.5) on a four (4) point scale; and

(ii) five (5) years of professional experience;

in the subject area that the person intends to teach.

(2) For a program participant who seeks to obtain a license to teach in kindergarten through grade 5, one (1) of the following:

(A) A bachelor's degree or the equivalent with a grade point average of three (3.0) on a four (4.0) scale from an accredited institution of higher education.

(B) Both:

(i) a bachelor's degree from an accredited institution of higher education with a grade point average of two and five-tenths (2.5) on a four (4.0) point scale; and

(ii) five (5) years of professional experience in an education-related field.

(f) The board shall grant an initial standard license to a program participant who does the following:

(1) Successfully completes the higher education component of the program.

(2) Demonstrates proficiency through a written examination in:

(A) basic reading, writing, and mathematics;

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(B) pedagogy; and

(C) knowledge of the areas in which the program participant is required to have a license to teach; under section 10.1(a) of this chapter.

(3) Participates successfully in a beginning teacher internship program under IC 20-6.1-8 that includes implementation in a classroom of the teaching skills learned in the higher education component of the program.

(4) Receives a successful assessment of teaching skills upon completion of the beginning teacher internship program from the administrator of the school where the beginning teacher internship program takes place, or, if the program participant does not receive a successful assessment, participates in the beginning teacher internship program for a second year, as provided under IC 20-6.1-8-13. The appeals provisions of IC 20-6.1-8-14 apply to an assessment under this subdivision.

(g) This subsection applies to a program participant who has a degree described in subsection (e) that does not include all the content areas of a standard license issued by the board. The board shall issue an initial standard license that is restricted to only the content areas in which the program participant has a degree unless the program participant demonstrates sufficient knowledge in other content areas of the license.

(h) A school corporation may hire a program participant to teach only in the subject area in which the participant meets the qualifications set forth under subsection (e).

(i) After receiving an initial standard license under subsection (f) or (g), a program participant who seeks to renew the participant's initial standard license must meet the same requirements as other candidates for license renewal.

(j) The board may adopt rules under IC 4-22-2 to administer this section. Rules adopted under this subsection must include a requirement that accredited teacher training schools and departments submit an annual report to the board of the number of individuals who:

(1) enroll in; and

(2) complete;

the program.

SECTION 23. IC 20-7.5-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. As used in this chapter:

(a) "School corporation" means any local public school corporation

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established under Indiana law and, in the case of public vocational schools or schools for children with disabilities established or maintained by two (2) or more school corporations, shall refer to such schools.

(b) "Governing body" ~~shall mean~~ **means:**

(1) the board or commission charged by law with the responsibility of administering the affairs of the school corporation; **or**

(2) **the body that administers a charter school established under IC 20-5.5.**

(c) "School employer" means:

(1) the governing body of each:

(A) school corporation; **or**

(B) **charter school established under IC 20-5.5;** and

(2) any person or persons authorized to act for the governing body of the school employer in dealing with its employees.

(d) "Superintendent" shall mean:

(1) the chief administrative officer of any:

(A) school corporation, or

(B) **charter school established under IC 20-5.5; or**

(2) any person or persons designated by the officer or by the governing body to act in the officer's behalf in dealing with school employees.

(e) "School employee" means any full-time certificated person in the employment of the school employer. A school employee shall be considered full time even though the employee does not work during school vacation periods, and accordingly works less than a full year. There shall be excluded from the meaning of school employee supervisors, confidential employees, employees performing security work and noncertificated employees.

(f) "Certificated employee" means a person:

(1) whose contract with the school corporation requires that ~~he~~ **the person** hold a license or permit from the state board of education or a commission thereof as provided in IC 20-6.1; **or**

(2) **who is employed as a teacher by a charter school established under IC 20-5.5.**

(g) "Noncertificated employee" means any school employee whose employment is not dependent upon the holding of a license or permit as provided in IC 20-6.1.

(h) "Supervisor" means any individual who has:

(1) authority, acting for the school corporation, to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or

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discipline school employees;

(2) responsibility to direct school employees and adjust their grievances; or

(3) responsibility to effectively recommend the action described in ~~subsections~~ **subdivisions** (1) through (2);

that is not of a merely routine or clerical nature but requires the use of independent judgment. The term includes superintendents, assistant superintendents, business managers and supervisors, directors with school corporation-wide responsibilities, principals and vice principals, and department heads who have responsibility for evaluating teachers.

(i) "Confidential employee" means a school employee whose unrestricted access to confidential personnel files or whose functional responsibilities or knowledge in connection with the issues involved in dealings between the school corporation and its employees would make the confidential employee's membership in a school employee organization incompatible with the employee's official duties.

(j) "Employees performing security work" means any school employee whose primary responsibility is the protection of personal and real property owned or leased by the school corporation or who performs police or quasi-police powers.

(k) "School employee organization" means any organization which has school employees as members and one (1) of whose primary purposes is representing school employees in dealing with their school employer, and includes any person or persons authorized to act on behalf of such organizations.

(l) "Exclusive representative" means the school employee organization which has been certified for the purposes of this chapter by the board or recognized by a school employer as the exclusive representative of the employees in an appropriate unit as provided in section 10 of this chapter, or the person or persons duly authorized to act on behalf of such representative.

(m) "Board" means the Indiana education employment relations board provided by this chapter.

(n) "Bargain collectively" means the performance of the mutual obligation of the school employer and the exclusive representative to meet at reasonable times to negotiate in good faith with respect to items enumerated in section 4 of this chapter and to execute a written contract incorporating any agreement relating to such matters. Such obligation shall not include the final approval of any contract concerning these or any other items. Agreements reached through collective bargaining are binding as a contract only if ratified by the governing body of the school corporation and the exclusive

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representative. The obligation to bargain collectively does not require the school employer or the exclusive representative to agree to a proposal of the other or to make a concession to the other.

(o) "Discuss" means the performance of the mutual obligation of the school corporation through its superintendent and the exclusive representative to meet at reasonable times to discuss, to provide meaningful input, to exchange points of view, with respect to items enumerated in section 5 of this chapter. This obligation shall not, however, require either party to enter into a contract, to agree to a proposal, or to require the making of a concession. A failure to reach an agreement on any matter of discussion shall not require the use of any part of the impasse procedure, as provided in section 13 of this chapter. Neither the obligation to bargain collectively nor to discuss any matter shall prevent any school employee from petitioning the school employer, the governing body, or the superintendent for a redress of the employee's grievances either individually or through the exclusive representative, nor shall either such obligation prevent the school employer or the superintendent from conferring with any citizen, taxpayer, student, school employee, or other person considering the operation of the schools and the school corporation.

(p) "Strike" means concerted failure to report for duty, willful absence from one's position, stoppage of work, or abstinence in whole or in part from the full, faithful, and proper performance of the duties of employment, without the lawful approval of the school employer, or in any concerted manner interfering with the operation of the school employer for any purpose.

(q) "Deficit financing" with respect to any budget year shall mean expenditures in excess of money legally available to the employer.

SECTION 24. IC 20-10.2-2-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: **Sec. 3.5. "Charter school" refers to a public school created and operating under IC 20-5.5.**

SECTION 25. IC 20-10.2-3-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: **Sec. 1.5. (a) This section applies to a charter school.**

(b) A charter entered under IC 20-5.5-4 may be used as a charter school's three (3) year strategic and continuous school improvement and achievement plan.

SECTION 26. IC 20-10.2-6-1, AS ADDED BY P.L.221-1999, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 1. This chapter does not apply to **the following:**

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(1) A nonpublic school.

(2) **A charter school.**

SECTION 27. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2001]: IC 20-3.1-2-12; IC 20-3.1-2-15; IC 20-3.1-2-16; IC 20-3.1-12; IC 20-3.1-14-1; IC 20-3.1-14-3.

SECTION 28. [EFFECTIVE JULY 1, 2001] (a) **This SECTION applies to a school city subject to IC 20-3.1-15-1, as amended by this act.**

(b) **In negotiations under IC 20-7.5 for the first negotiated agreement after July 1, 2001, the following shall be included as items according to IC 20-7.5-1-4:**

(1) **Grievance procedure.**

(2) **Teacher evaluation.**

(3) **Reduction in force.**

(c) **This SECTION expires upon the ratification of the agreement described in subsection (a) or July 1, 2005, whichever is the earliest to occur.**

SECTION 29. [EFFECTIVE JULY 1, 2001] (a) **There is appropriated to the department of education fifty thousand dollars (\$50,000) from the state general fund in each state fiscal year of the biennium beginning July 1, 2001, and ending June 30, 2003, for its use to carry out its responsibilities under IC 20-5.5 and to provide advisory assistance to school corporations and charter schools for programs under IC 20-5.5.**

(b) **This SECTION expires July 1, 2003.**

SECTION 30. **An emergency is declared for this act.**

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President of the Senate

President Pro Tempore

Speaker of the House of Representatives

Approved: _____

Governor of the State of Indiana

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