

SENATE BILL No. 420

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-19; IC 20-24; IC 20-31-8; IC 20-49-9-8; IC 20-51.

Synopsis: School accountability. Provides that the state board of education shall place each school in a category or designation of school performance once annually pursuant to the department of education's consolidated state plan approved by the United States Department of Education in accordance with the federal Every Student Succeeds Act (ESSA). Repeals certain provisions relating to the current school accountability requirements. Makes conforming amendments.

Effective: July 1, 2020.

Melton

January 14, 2020, read first time and referred to Committee on Education and Career Development.



Second Regular Session of the 121st General Assembly (2020)

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 2019 Regular Session of the General Assembly.

SENATE BILL No. 420

A BILL FOR AN ACT to amend the Indiana Code concerning education.

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

- 1 SECTION 1. IC 20-19-3-17, AS ADDED BY P.L.186-2018,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2020]: Sec. 17. (a) As used in this section, "foster care" has
4 the meaning set forth in IC 31-9-2-46.7.
5 (b) As used in this section, "foster care youth" means students in
6 foster care.
7 (c) As used in this section, "graduation rate" has the meaning set
8 forth in IC 20-26-13-6.
9 (d) The state board shall, in collaboration with the department and
10 the department of child services, annually prepare a report on foster
11 care youth educational outcomes that includes the following:
12 (1) The annual graduation rate of foster care youth, including the
13 following information:
14 (A) The graduation rate for each of the following:
15 (i) Foster care youth who received a graduation waiver
16 under IC 20-32-4-4.
17 (ii) Foster care youth who did not receive a graduation



- 1 waiver under IC 20-32-4-4.
- 2 (B) The number and percentage of foster care youth who
- 3 received each type of diploma.
- 4 (2) The adjusted cohort graduation rate for foster care youth,
- 5 including the adjusted cohort graduation rate for each of the
- 6 following:
- 7 (A) Foster care youth who received a graduation waiver under
- 8 IC 20-32-4-4.
- 9 (B) Foster care youth who did not receive a graduation waiver
- 10 under IC 20-32-4-4.
- 11 (3) The number and percentage for each of the following:
- 12 (A) Foster care youth who were promoted to the next grade
- 13 level at the end of the school year.
- 14 (B) Foster care youth who were retained in the same grade
- 15 level for the next school year.
- 16 (C) Foster care youth who were suspended during the school
- 17 year.
- 18 (D) Foster care youth who were expelled during the school
- 19 year.
- 20 (E) Foster care youth who met academic standards on
- 21 statewide assessment program tests (as defined in
- 22 IC 20-32-2-2.3) administered during the school year.
- 23 The information reported under this subdivision must also be
- 24 disaggregated by race, grade, gender, free or reduced price lunch
- 25 status, and eligibility for special education.
- 26 (4) The number and percentage of eligible foster care youth who
- 27 are enrolled in the prekindergarten pilot program under
- 28 IC 12-17.2-7.2.
- 29 (5) The number and percentage of foster care youth who passed
- 30 the reading skills evaluation administered under IC 20-32-8.5-2.
- 31 (6) The number and percentage of foster care youth enrolled in
- 32 schools, disaggregated by the category or designation of the
- 33 school under ~~IC 20-31-8-3~~. **IC 20-31-8.**
- 34 (7) The number and percentage of foster care youth enrolled in
- 35 schools, disaggregated by the type of school, including public
- 36 schools, charter schools, and secure private facilities (as defined
- 37 in IC 31-9-2-115).
- 38 (e) Not later than June 30, 2019, the department shall:
- 39 (1) after consulting with the department of child services, develop
- 40 a remediation plan concerning foster care youth; and
- 41 (2) submit a copy of the remediation plan to the following:
- 42 (A) The state board.



- 1 (B) The department of child services.
- 2 (C) The legislative council in an electronic format under
- 3 IC 5-14-6.
- 4 (f) Before April 1, 2019, and before April 1 each year thereafter, the
- 5 department shall submit the report described in subsection (d) to the
- 6 following:
- 7 (1) Department of child services.
- 8 (2) Legislative council in an electronic format under IC 5-14-6.
- 9 SECTION 2. IC 20-19-3-18, AS ADDED BY P.L.186-2018,
- 10 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 11 JULY 1, 2020]: Sec. 18. (a) As used in this section, "graduation rate"
- 12 has the meaning set forth in IC 20-26-13-6.
- 13 (b) The state board shall, in collaboration with the department and
- 14 the department of child services, annually prepare a report on homeless
- 15 youth educational outcomes that includes the following:
- 16 (1) The annual graduation rate of homeless youth, including the
- 17 following information:
- 18 (A) The graduation rate for each of the following:
- 19 (i) Homeless youth who received a graduation waiver under
- 20 IC 20-32-4-4.
- 21 (ii) Homeless youth who did not receive a graduation waiver
- 22 under IC 20-32-4-4.
- 23 (B) The number and percentage of homeless youth who
- 24 received each type of diploma.
- 25 (2) The adjusted cohort graduation rate for homeless youth,
- 26 including the adjusted cohort graduation rate for each of the
- 27 following:
- 28 (A) Homeless youth who received a graduation waiver under
- 29 IC 20-32-4-4.
- 30 (B) Homeless youth who did not receive a graduation waiver
- 31 under IC 20-32-4-4.
- 32 (3) The number and percentage of each of the following:
- 33 (A) Homeless youth who were promoted to the next grade
- 34 level at the end of the school year.
- 35 (B) Homeless youth who were retained in the same grade level
- 36 for the next school year.
- 37 (C) Homeless youth who were suspended during the school
- 38 year.
- 39 (D) Homeless youth who were expelled during the school year.
- 40 (E) Homeless youth who met academic standards on statewide
- 41 assessment program tests (as defined in IC 20-32-2-2.3)
- 42 administered during the school year.



- 1 The information reported under this subdivision must also be
 2 disaggregated by race, grade, gender, free or reduced price lunch
 3 status, and eligibility for special education.
 4 (4) The number and percentage of eligible homeless youth who
 5 are enrolled in the prekindergarten pilot program under
 6 IC 12-17.2-7.2.
 7 (5) The number and percentage of homeless youth who passed the
 8 reading skills evaluation administered under IC 20-32-8.5-2.
 9 (6) The number and percentage of homeless youth enrolled in
 10 schools, disaggregated by the category or designation of the
 11 school under ~~IC 20-31-8-3~~. **IC 20-31-8.**
 12 (7) The number and percentage of homeless youth enrolled in
 13 schools, disaggregated by the type of school, including public
 14 schools, charter schools, and secure private facilities (as defined
 15 in IC 31-9-2-115).
 16 (c) Not later than August 31, 2019, the department shall:
 17 (1) develop a remediation plan concerning homeless youth; and
 18 (2) submit a copy of the remediation plan to the following:
 19 (A) The state board.
 20 (B) The Indiana housing and community development
 21 authority established by IC 5-20-1-3.
 22 (C) The legislative council in an electronic format under
 23 IC 5-14-6.
 24 (d) Before June 1, 2019, and before June 1 each year thereafter, the
 25 department shall submit the report described in subsection (b) to the
 26 following:
 27 (1) The Indiana housing and community development authority.
 28 (2) The legislative council in an electronic format under
 29 IC 5-14-6.
 30 SECTION 3. IC 20-19-4.1-5, AS ADDED BY P.L.143-2019,
 31 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 JULY 1, 2020]: Sec. 5. (a) The panel shall study the topic of aligning
 33 school accountability with graduation pathway requirements under
 34 IC 20-32-4-1.5(b)(1). ~~and recommend new indicators of school~~
 35 ~~performance to replace measures or indicators established under~~
 36 ~~IC 20-31-8-5.4~~. On or before October 30, 2019, the panel shall submit
 37 recommendations to the general assembly in an electronic format under
 38 IC 5-14-6 and to the state board.
 39 (b) When reviewing indicators the panel shall consider including:
 40 (1) postsecondary preparation indicators aligned to graduation
 41 pathways requirements, including the graduation rate;
 42 (2) an on-track indicator or indicators based upon student credits;



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(3) postsecondary outcomes.

SECTION 4. IC 20-24-2.2-2.5, AS AMENDED BY P.L.211-2019, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 2.5. (a) If the state board grants a petition request under section 2 of this chapter, the state board shall:

- (1) hold a hearing; and
- (2) implement one (1) or more of the following actions:
 - (A) Require the implementation of a charter school improvement plan.
 - (B) Order the reduction of any administrative fee collected under IC 20-24-7-4 that is applicable to the charter school. The reduction must become effective at the beginning of the month following the month of the authorizer's hearing before the state board.
 - (C) Prohibit or limit the enrollment of new students in the charter school.
 - (D) Cancel the charter between the authorizer and organizer.
 - (E) Order the closure of the charter school at the end of the current school year.

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

(b) In determining which action to implement under subsection (a)(2), the state board shall consider the following:

- (1) Enrollment of students with special challenges, such as drug or alcohol addiction, prior withdrawal from school, prior incarceration, or other special circumstances.
- (2) High mobility of the student population resulting from the specific purpose of the charter school.
- (3) Annual improvement in the performance of students enrolled in the charter school, as measured by ~~IC 20-31-8-1~~, **IC 20-31-8**, compared with the performance of students enrolled in the charter school in the immediately preceding school year.

SECTION 5. IC 20-24-11-1, AS AMENDED BY P.L.280-2013, SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 1. (a) This section does not apply to an existing public elementary or secondary school that the governing body of the school corporation in which the school is located has scheduled for closure.

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

- (1) At least fifty-one percent (51%) of the parents of students who



1 attend the school have signed a petition requesting the
 2 conversion, which must be completed not later than ninety (90)
 3 days after the date of the first signature.

4 (2) The school has been placed in either of the two (2) lowest
 5 categories or designations under ~~IC 20-31-8-3~~ **IC 20-31-8** for two
 6 (2) consecutive years.

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

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

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

20 SECTION 6. IC 20-24-13-4, AS ADDED BY P.L.213-2015,
 21 SECTION 162, IS AMENDED TO READ AS FOLLOWS
 22 [EFFECTIVE JULY 1, 2020]: Sec. 4. The state board shall, without an
 23 application being made, make an annual grant to a school if the school
 24 is one (1) of the following:

25 (1) A charter school in its first or second year of operation.

26 (2) A charter school that was placed in **one (1) of the "A", "B", or**
 27 **"C" category or designation of performance established under**
 28 ~~IC 20-31-8-3~~ **three (3) highest categories or designations of**
 29 **school performance under IC 20-31-8** for the most recently
 30 completed school year.

31 (3) A charter school that does not receive a category or
 32 designation of performance established under ~~IC 20-31-8-3~~
 33 **IC 20-31-8** for the most recently completed school year.

34 (4) A school that has a majority of students with developmental,
 35 intellectual, or behavioral challenges.

36 (5) An innovation network school described in section 1(a)(2) of
 37 this chapter.

38 SECTION 7. IC 20-24-13-5, AS AMENDED BY P.L.118-2016,
 39 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JULY 1, 2020]: Sec. 5. (a) This section applies to a charter school that
 41 does not qualify for a grant under subsection (c). Each year, such a
 42 charter school may apply for an annual grant under this chapter.



1 (b) The application under subsection (a) must be submitted after
 2 July 1 and before September 1 of a state fiscal year for a grant that is
 3 requested to be made during that state fiscal year.

4 (c) The state board shall determine if the charter school is placed in
 5 the same or a better category or designation of performance established
 6 under ~~IC 20-31-8-3~~ **IC 20-31-8** for the most recently completed school
 7 year than the nearest noncharter public school that is configured to
 8 teach the same grades of students as the charter school teaches. Except
 9 as provided in subsection (d), if the charter school has been placed in
 10 the same or a better category or designation of performance, the state
 11 board shall make the grant to the charter school.

12 (d) If a charter school:

13 (1) does not qualify for a grant under section 4 of this chapter; and

14 (2) for two (2) consecutive years has not been placed in the same
 15 or a better category or designation of performance established
 16 under ~~IC 20-31-8-3~~ **IC 20-31-8** for the most recently completed
 17 school year than the nearest noncharter public school that is
 18 configured to teach the same grades of students as the charter
 19 school teaches;

20 the charter school is not eligible for a grant, unless the charter school
 21 is placed in the ~~"C"~~ **third highest** category or designation of
 22 performance or better established under ~~IC 20-31-8-3~~ **IC 20-31-8** for
 23 the most recently completed school year.

24 SECTION 8. IC 20-31-8-1 IS REPEALED [EFFECTIVE JULY 1,
 25 2020]. Sec. 1: (a) The performance of a school's students on the
 26 statewide assessment program test and other assessments
 27 recommended by the department of education and approved by the
 28 state board are the primary and majority means of assessing a school's
 29 improvement.

30 (b) The department of education shall examine and make
 31 recommendations to the state board concerning:

32 (1) performance indicators to be used as a secondary means of
 33 determining school progress;

34 (2) expected progress levels; continuous improvement measures;
 35 distributional performance levels; and absolute performance
 36 levels for schools; and

37 (3) an orderly transition from the performance based accreditation
 38 system to the assessment system set forth in this article.

39 (c) The department of education shall consider methods of
 40 measuring improvement and progress used in other states in developing
 41 recommendations under this section.

42 (d) The department of education may consider:



1 (1) the likelihood that a student may fail a graduation exam
 2 (before July 1, 2022) or fail to meet a postsecondary readiness
 3 competency established by the state board under
 4 IC 20-32-4-1.5(c) and require a graduation waiver under
 5 IC 20-32-4-4, IC 20-32-4-4.1, or IC 20-32-4-5; and

6 (2) remedial needs of students who are likely to require remedial
 7 work while the students attend a postsecondary educational
 8 institution or workforce training program;

9 when making recommendations under this section:

10 SECTION 9. IC 20-31-8-2 IS REPEALED [EFFECTIVE JULY 1,
 11 2020]. Sec. 2: (a) In addition to scores on the statewide assessment
 12 program test and other assessments, the department shall use the
 13 performance indicators developed by the state board and the
 14 benchmarks and indicators of performance in each school corporation's
 15 annual performance report as a secondary means of assessing the
 16 performance of each school and school corporation:

17 (b) The department shall assess school performance in the following
 18 manner:

19 (1) Compare the academic performance and growth of the
 20 individual students in each school and each school corporation
 21 with the prior academic performance and growth of the individual
 22 students in the school or school corporation and not to the
 23 performance of other schools or school corporations:

24 (2) Compare the results in the annual report under IC 20-20-8
 25 with the benchmarks and indicators of performance established in
 26 the plan for the same school:

27 (3) Compare the results for a school by comparing each student's
 28 results for each grade with the student's prior year results, with an
 29 adjustment for student mobility rate:

30 (4) Compare the results for a school with the state average and the
 31 ninety-fifth percentile level for all assessments and performance
 32 indicators:

33 SECTION 10. IC 20-31-8-3 IS REPEALED [EFFECTIVE JULY 1,
 34 2020]. Sec. 3: (a) The state board shall establish a number of
 35 categories, using an "A" through "F" grading scale, to designate
 36 performance based on the individual student academic performance
 37 and growth to proficiency in each school:

38 (b) The state board, in consultation with the department, shall define
 39 "low population schools" and shall determine the criteria for placing
 40 low population schools in categories established under subsection (a):
 41 In setting the definition and criteria for low population schools, the
 42 state board shall not penalize schools based on population. An eligible



1 school (as defined in IC 20-51-1-4.7) may not be penalized under
 2 IC 20-51-4-9 for the sole reason that the eligible school is considered
 3 a low population school under this subsection. The state board's
 4 definition and criteria may include the placement of a school that fits
 5 the state board's definition in a "null" or "no letter grade" category:

6 (c) In developing metrics for the categories established under
 7 subsection (a), the state board, in consultation with the department, to
 8 the extent not inconsistent with federal law, shall consider the severity
 9 of tested students' disabilities when using statewide assessment scores
 10 as a means of assessing school performance.

11 (d) In developing metrics for the categories established under
 12 subsection (a), the state board shall consider the mobility of high
 13 school students who are credit deficient and whether any high school
 14 should be rewarded for enrolling credit deficient students or penalized
 15 for transferring out credit deficient students:

16 SECTION 11. IC 20-31-8-4, AS AMENDED BY P.L.287-2019,
 17 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 JULY 1, 2020]: Sec. 4. (a) The state board shall place each school in
 19 a category or designation of school performance once annually based
 20 on the department's findings from the assessment of performance and
 21 academic growth under section 2 of this chapter: **pursuant to the**
 22 **department's consolidated state plan approved by the United States**
 23 **Department of Education in accordance with the federal Every**
 24 **Student Succeeds Act (ESSA) 20 U.S.C. 6311.**

25 (b) The state board may place a school in a category or designation
 26 of school performance only if:

27 (1) the department has provided each school the opportunity to
 28 review, add to, or supplement the data, and to correct any errors
 29 in the data; and

30 (2) the state board's staff has had an opportunity to review and
 31 analyze the school corporation, school, and student level data.

32 (c) Based on procedures adopted by the state board, a school
 33 corporation or school that focuses primarily on providing an academic
 34 program for students with developmental, intellectual, or behavioral
 35 challenges may petition the state board for review of the school
 36 corporation's or school's category or designation of school performance
 37 placement based on objective factors that the school corporation or
 38 school considers relevant because the annual assessment data does not
 39 accurately reflect, as applicable, school performance, growth, or
 40 multiple measures. Objective factors include:

41 (1) significant demographic changes in the student population;

42 (2) errors in data; or



1 (3) other significant issues:

2 After considering the petition for review, the state board may direct the
3 department to revise the category or designation assigned to the school
4 corporation or school, including assigning a "null" or "no letter grade"
5 category or designation to the school corporation or school. The state
6 board may grant the "null" designation for multiple years:

7 (d) (c) The state board may obtain assistance from another entity or,
8 with the approval of the legislative council, the legislative services
9 agency, to ensure the validity and reliability of the performance
10 category or designation placements calculated by the department. ~~under~~
11 ~~section 2 of this chapter.~~ The department shall provide all the data
12 necessary to complete those calculations to the legislative services
13 agency or to an entity designated by the state board.

14 SECTION 12. IC 20-31-8-4.5 IS REPEALED [EFFECTIVE JULY
15 1, 2020]. Sec. 4.5: In addition to other benchmarks, performance
16 indicators, and accountability standards developed under this article;
17 the state board shall develop alternative benchmarks, performance
18 indicators, and accountability standards to be used in the assessment of
19 schools that focus primarily on providing an academic program for
20 students with developmental, intellectual, or behavioral challenges:

21 SECTION 13. IC 20-31-8-4.6 IS REPEALED [EFFECTIVE JULY
22 1, 2020]. Sec. 4.6: (a) If a school corporation or a charter school enters
23 into an agreement with an eligible school (as defined in
24 IC 20-51-1-4.7) to provide dropout recovery educational services for
25 an at-risk student who is enrolled at a public school, the student may
26 not be included in the calculation of the public school's category or
27 designation of school performance:

28 (b) The state board shall adopt rules under IC 4-22-2 and any
29 guidelines necessary to carry out this section:

30 SECTION 14. IC 20-31-8-5.4 IS REPEALED [EFFECTIVE JULY
31 1, 2020]. Sec. 5.4: (a) Not later than November 15, 2013, the state
32 board shall establish new categories or designations of school
33 performance under the requirements of this chapter to replace 511
34 IAC 6.2-6. The new standards of assessing school performance:

35 (1) must be based on a measurement of individual student
36 academic performance and growth to proficiency; and

37 (2) may not be based on a measurement of student performance
38 or growth compared with peers:

39 511 IAC 6.2-6 is void on the effective date of the emergency or final
40 rules adopted under this section:

41 (b) After July 1, 2013, the state board:

42 (1) shall adopt rules under IC 4-22-2; and



1 (2) may adopt emergency rules in the manner provided in
 2 IC 4-22-2-37.1;
 3 to implement this chapter.

4 (c) An emergency rule adopted under subsection (b) expires on the
 5 earlier of:

6 (1) November 15, 2014; or

7 (2) the effective date of a rule that establishes categories or
 8 designations of school improvement described in this section and
 9 supersedes the emergency rule.

10 (d) Before beginning the rulemaking process to establish new
 11 categories or designations of school improvement, the state board shall
 12 report to the general assembly the proposed new categories or
 13 designations in an electronic format under IC 5-14-6.

14 SECTION 15. IC 20-31-8-6 IS REPEALED [EFFECTIVE JULY 1,
 15 2020]. Sec. 6: (a) This section applies to a school that has appealed the
 16 school's placement in a category or designation under section 4 of this
 17 chapter.

18 (b) If as a result of an appeal a school's placement in a category or
 19 designation under section 4 of this chapter changes, the department
 20 shall:

21 (1) change the category or designation in the department's
 22 records;

23 (2) notify the school of the change; and

24 (3) disseminate information concerning the change in the school's
 25 placement in the same manner as information concerning the
 26 school's original placement was disseminated.

27 SECTION 16. IC 20-31-8-10 IS REPEALED [EFFECTIVE JULY
 28 1, 2020]. Sec. 10: (a) Except as otherwise provided in this section, if
 29 requested by a school, the department may place the school in a "null"
 30 or "no letter grade" category for purposes of this chapter for the first
 31 three (3) consecutive years of operation of the school.

32 (b) Subject to subsection (c), an innovation network school that
 33 reconfigures an existing school must apply to the state board, in a
 34 manner prescribed by the state board, to request to receive a "null" or
 35 "no letter grade" for the reconfigured school during the school's first
 36 three (3) consecutive years of operation by an innovation network team.

37 (c) In order to qualify for a "null" or "no letter grade" under
 38 subsection (b), an innovation network school must clearly demonstrate:

39 (1) a significant change in educational philosophy from the
 40 existing school and that the reconfiguration of the school is not
 41 being made to avoid accountability; or

42 (2) any other item that the state board finds appropriate.



1 The state board shall adopt rules under IC 4-22-2 to establish criteria
 2 that the state board may consider in determining whether to grant an
 3 innovation network school's request under subsection (b) and this
 4 subsection:

5 (d) Subject to subsection (e); if the department used student growth
 6 as the state board's exclusive means to determine an:

7 (1) innovation network school's category or designation of school
 8 improvement under IC 20-25.7-4-5(d)(3) for the 2018-2019
 9 school year; or

10 (2) innovation network charter school's category or designation of
 11 school improvement under IC 20-25.7-5-2(d)(3) for the
 12 2018-2019 school year;

13 the department shall, beginning with the 2019-2020 school year and
 14 unless an innovation network school or innovation network charter
 15 school requests otherwise, place the innovation network school or the
 16 innovation network charter school, whichever is applicable, in a "null"
 17 or "no letter grade" category for purposes of this chapter for not more
 18 than the number of school years determined for the innovation network
 19 school or innovation network charter school under subsection (e)
 20 consecutively. This subsection expires July 1, 2023.

21 (e) Each innovation network school described in subsection (d)(1)
 22 and each innovation network charter school described in subsection
 23 (d)(2) may not be placed in a "null" or "no letter grade" category under
 24 subsection (d) for more than the number of years that equal the result
 25 of:

26 (1) three (3) school years; minus

27 (2) the number of school years that student growth was used as
 28 the state board's exclusive means to determine the category or
 29 designation of school improvement for the innovation network
 30 school or innovation network charter school.

31 This subsection expires July 1, 2023.

32 (f) The department shall post the proficiency and growth scores of
 33 an innovation network school; an innovation network charter school;
 34 or a school described in subsection (a) on the department's Internet web
 35 site for each year the innovation network school; innovation network
 36 charter school; or school receives a "null" or "no letter grade" under
 37 this section:

38 SECTION 17. IC 20-49-9-8, AS AMENDED BY P.L.118-2016,
 39 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JULY 1, 2020]: Sec. 8. (a) A school qualifies for an advance under this
 41 chapter if the school is one (1) of the following:

42 (1) A charter school in its first or second year of operation.



1 (2) A charter school that was placed in **one (1) of the "A", "B", or**
 2 **"C" category or designation of three (3) highest categories or**
 3 **designations of school** performance established under
 4 ~~IC 20-31-8-3~~ **IC 20-31-8** for the most recently completed school
 5 year.

6 (3) A charter school that does not receive a category or
 7 designation of performance established under ~~IC 20-31-8-3~~
 8 **IC 20-31-8** for the most recently completed school year.

9 (4) A school that has a majority of students with developmental,
 10 intellectual, or behavioral challenges.

11 (5) An innovation network school described in section 1(2) of this
 12 chapter.

13 (b) If a charter school does not qualify for an advance under
 14 subsection (a), the state board shall determine if the charter school is
 15 placed in the same or a better category or designation of performance
 16 established under ~~IC 20-31-8-3~~ **IC 20-31-8** for the most recently
 17 completed school year than the nearest noncharter public school that
 18 is configured to teach the same grades of students as the charter school
 19 teaches. Except as provided in subsection (c), if the charter school has
 20 been placed in the same or a better category or designation of
 21 performance, the state board shall make the advance to the charter
 22 school.

23 (c) If a charter school:

24 (1) does not qualify for an advance under subsection (a); and
 25 (2) for two (2) consecutive years has not been placed in the same
 26 or a better category or designation of performance established
 27 under ~~IC 20-31-8-3~~ **IC 20-31-8** for the most recently completed
 28 school year than the nearest noncharter public school that is
 29 configured to teach the same grades of students as the charter
 30 school teaches;

31 the charter school is not eligible for an advance, unless the charter
 32 school is placed in the "C" **third highest** category or designation of
 33 performance or better established under ~~IC 20-31-8-3~~ **IC 20-31-8** for
 34 the most recently completed school year.

35 SECTION 18. IC 20-51-1-4.3, AS AMENDED BY P.L.184-2017,
 36 SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JULY 1, 2020]: Sec. 4.3. "Eligible choice scholarship student" refers
 38 to an individual who:

39 (1) has legal settlement in Indiana;
 40 (2) is at least five (5) years of age and less than twenty-two (22)
 41 years of age on the date in the school year specified in
 42 IC 20-33-2-7; and



- 1 (3) meets at least one (1) of the following conditions:
 2 (A) The individual is:
 3 (i) a student with a disability who requires special education
 4 and for whom an individualized education program has been
 5 developed under IC 20-35 or a service plan developed under
 6 511 IAC 7-34; and
 7 (ii) a member of a household with an annual income of not
 8 more than two hundred percent (200%) of the amount
 9 required for the individual to qualify for the federal free or
 10 reduced price lunch program.
 11 (B) The individual is:
 12 (i) an individual who, because of the school corporation's
 13 residency requirement, would be required to attend a
 14 specific public school within a school corporation that has
 15 been placed in the lowest category or designation of school
 16 improvement under ~~IC 20-31-8-4~~ (has been assigned an "F"
 17 ~~grade~~); **IC 20-31-8**; and
 18 (ii) except as provided in IC 20-51-4-2.5, is a member of a
 19 household with an annual income of not more than one
 20 hundred fifty percent (150%) of the amount required for the
 21 individual to qualify for the federal free or reduced price
 22 lunch program.
 23 An individual to whom this clause applies is not required to
 24 attend the public school before becoming eligible for a choice
 25 scholarship, and may not be required to return to the public
 26 school if the public school is placed in a higher category or
 27 designation under ~~IC 20-31-8-4~~. **IC 20-31-8**.
 28 (C) Except as provided in IC 20-51-4-2.5, the individual is a
 29 member of a household with an annual income of not more
 30 than one hundred fifty percent (150%) of the amount required
 31 for the individual to qualify for the federal free or reduced
 32 price lunch program and the individual was enrolled in
 33 kindergarten through grade 12, in a public school, including a
 34 charter school, in Indiana for at least two (2) semesters
 35 immediately preceding the first semester for which the
 36 individual receives a choice scholarship under IC 20-51-4.
 37 (D) The individual or a sibling of the individual who, except
 38 as provided in IC 20-51-4-2.5, is a member of a household
 39 with an annual income of not more than one hundred fifty
 40 percent (150%) of the amount required for the individual to
 41 qualify for the federal free or reduced price lunch program and
 42 satisfies either of the following:



- 1 (i) The individual or a sibling of the individual received
- 2 before July 1, 2013, a scholarship from a scholarship
- 3 granting organization under IC 20-51-3 or a choice
- 4 scholarship under IC 20-51-4 in a preceding school year,
- 5 including a school year that does not immediately precede
- 6 a school year in which the individual receives a scholarship
- 7 from a scholarship granting organization under IC 20-51-3
- 8 or a choice scholarship under IC 20-51-4.
- 9 (ii) The individual or a sibling of the individual receives for
- 10 the first time after June 30, 2013, a scholarship of at least
- 11 five hundred dollars (\$500) from a scholarship granting
- 12 organization under IC 20-51-3 or a choice scholarship under
- 13 IC 20-51-4 in a preceding school year, including a school
- 14 year that does not immediately precede a school year in
- 15 which the individual receives a scholarship from a
- 16 scholarship granting organization under IC 20-51-3 or a
- 17 choice scholarship under IC 20-51-4.

18 (E) Subject to IC 20-51-4-2.7, the individual:

- 19 (i) received an early education grant under IC 12-17.2-7.2;
- 20 (ii) used the grant described in item (i) to attend a
- 21 prekindergarten program at an eligible school;
- 22 (iii) continues to meet the income eligibility requirements
- 23 the individual was required to meet to receive an early
- 24 education grant under IC 12-17.2-7.2; and
- 25 (iv) continues to attend the eligible school at which the
- 26 individual attended a prekindergarten program as described
- 27 in item (ii).

28 SECTION 19. IC 20-51-1-4.7, AS AMENDED BY P.L.242-2017,
 29 SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 JULY 1, 2020]: Sec. 4.7. "Eligible school" refers to a public or
 31 nonpublic elementary school or high school that:

- 32 (1) is located in Indiana;
- 33 (2) requires an eligible choice scholarship student to pay tuition
- 34 or transfer tuition to attend;
- 35 (3) voluntarily agrees to enroll an eligible choice scholarship
- 36 student;
- 37 (4) is accredited by either the state board or a national or regional
- 38 accreditation agency that is recognized by the state board;
- 39 (5) administers the statewide assessment program;
- 40 (6) is not a charter school or the school corporation in which an
- 41 eligible choice scholarship student has legal settlement under
- 42 IC 20-26-11; and



1 (7) submits to the department only the student performance data
 2 required for a category designation under ~~IC 20-31-8-3~~.
 3 **IC 20-31-8.**

4 SECTION 20. IC 20-51-4-7, AS AMENDED BY P.L.108-2019,
 5 SECTION 235, IS AMENDED TO READ AS FOLLOWS
 6 [EFFECTIVE JULY 1, 2020]: Sec. 7. (a) The department shall
 7 administer this chapter.

8 (b) The department shall approve an application for an eligible
 9 school within fifteen (15) days after the date the school requests to
 10 participate in the choice scholarship program.

11 (c) The department shall approve an application for a choice
 12 scholarship student within fifteen (15) days after the date the student
 13 requests to participate in the choice scholarship program.

14 (d) Each year, at a minimum, the department shall accept
 15 applications from March 1 through September 1 for eligible schools for
 16 the upcoming school year.

17 (e) Each year, the department shall accept applications for choice
 18 scholarship students from:

19 (1) March 1 through September 1 for the upcoming school year;
 20 and

21 (2) November 1 through January 15 for the spring semester of the
 22 current school year.

23 ~~(f) This chapter may not be construed in a manner that would
 24 impose additional requirements for approving an application for an
 25 eligible school placed in a "null" or "no letter grade" category
 26 established under IC 20-31-8-3(b).~~

27 ~~(g)~~ (f) The department shall adopt rules under IC 4-22-2 to
 28 implement this chapter.

29 ~~(h)~~ (g) The department may adopt emergency rules under
 30 IC 4-22-2-37.1 to implement this chapter.

31 SECTION 21. IC 20-51-4-9, AS AMENDED BY P.L.86-2018,
 32 SECTION 186, IS AMENDED TO READ AS FOLLOWS
 33 [EFFECTIVE JULY 1, 2020]: Sec. 9. (a) Except as provided in
 34 subsection (b), the department shall enforce the following
 35 consequences for an eligible school that is nonpublic:

36 (1) If the school is placed in either of the lowest two (2)
 37 categories or designations under ~~IC 20-31-8-3~~ **IC 20-31-8** for two
 38 (2) consecutive years, the department shall suspend choice
 39 scholarship payments for one (1) year for new students who
 40 would otherwise use a choice scholarship to attend the school.

41 (2) If the school is placed in either of the lowest two (2)
 42 categories or designations under ~~IC 20-31-8-3~~ **IC 20-31-8** for



- 1 three (3) consecutive years, the department shall suspend choice
 2 scholarship payments for new students who would otherwise use
 3 a choice scholarship to attend the school until the school is placed
 4 in the middle category or higher category or designation, for two
 5 (2) consecutive years.
- 6 (3) If the school is placed in the lowest category or designation
 7 under ~~IC 20-31-8-3~~ **IC 20-31-8** for three (3) consecutive years,
 8 the department shall suspend choice scholarship payments for
 9 new students who would otherwise use a choice scholarship to
 10 attend the school until the school is placed in the middle category
 11 or higher category or designation, for three (3) consecutive years.
- 12 (4) Students who:
- 13 (A) are currently enrolled at a school described in subdivision
 14 (1), (2), or (3); and
- 15 (B) qualify for a choice scholarship for the upcoming school
 16 year;
 17 may continue to receive a choice scholarship at the school.
- 18 (b) An eligible school may submit a request to the state board to
 19 waive or delay consequences imposed under subsection (a) for a
 20 particular school year. The state board may grant a request to an
 21 eligible school that requests a waiver or delay under this subsection if
 22 the eligible school demonstrates that a majority of students in the
 23 eligible school demonstrated academic improvement during the
 24 preceding school year. A waiver or delay granted to an eligible school
 25 under this subsection is for one (1) school year only. An eligible school
 26 must make an additional request under this subsection to the state
 27 board to receive further delay or waiver of consequences imposed
 28 under subsection (a).
- 29 (c) This section may not be construed to prevent a student enrolled
 30 in a school subject to this section from applying for a choice
 31 scholarship in the future at another eligible school.

