

# SENATE BILL No. 567

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 20-19-8; IC 20-24; IC 20-30-5-20; IC 20-43.

**Synopsis:** Virtual education. Provides that the state board of education (state board) may adopt rules regarding virtual education programs of school corporations. Requires the following: (1) A school corporation to establish and implement an onboarding process and orientation for participating students of virtual education programs. (2) A virtual charter school to establish and implement an onboarding process and orientation for students of the virtual charter school. Requires students of virtual education programs and students enrolled in virtual charter schools to participate in the respective onboarding processes and orientations. Provides that, if the lesser of at least: (1) 100 students of a school corporation; or (2) 25% of the total number of students enrolled in the school corporation; receive at least 50% of instruction through a school corporation's virtual education program, the school corporation shall establish a dedicated virtual education school. Establishes limitations on the number of students who may: (1) participate in a virtual education program; and (2) enroll in a virtual charter school; established after June 30, 2019. Allows the state board to waive these limitations upon request. Requires a school corporation that issued a charter before July 1, 2015, to register with the state board for charter authority. Provides that, if a virtual charter school is placed in the lowest category or designation of school performance for four consecutive years, a new student may not enroll in the virtual charter school and the virtual charter school may not accept new students who are not currently enrolled in the virtual charter school until the virtual charter school is placed in a middle or higher category or designation. Changes the amount of the administrative fee that an authorizer may

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**Effective:** July 1, 2019.

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## Raatz

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January 14, 2019, read first time and referred to Committee on Education and Career Development.

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## Digest Continued

collect from an organizer of a virtual charter school. Establishes actions that the state board may implement if a charter school is placed in the lowest category or designation of school performance for four consecutive years. Provides that, for purposes of calculating basic tuition support for a school corporation, including a charter school, a school corporation, including a charter school, may receive only 90% of the foundation amount for each student in the school corporation's current average daily membership (ADM) who, of the instruction the student receives from the school corporation, at least 15% of the instruction is provided in an interactive learning environment created through technology in which the student is separated from a teacher by time or space, or both. Repeals a provision that provides that a charter school will be closed if the charter school is placed in the lowest category or designation of accountability for four consecutive years.



Introduced

First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

## SENATE BILL No. 567

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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 20-19-8 IS ADDED TO THE INDIANA CODE AS  
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2019]:

4 **Chapter 8. School Corporation Virtual Education Programs**

5 **Sec. 1. As used in this chapter, "virtual education program"**  
6 **means a program provided by a school corporation in which more**  
7 **than fifty percent (50%) of instruction to students participating in**  
8 **the program is provided in an interactive learning environment**  
9 **created through technology in which the student is separated from**  
10 **a teacher by time or space, or both.**

11 **Sec. 2. The state board may adopt rules under IC 4-22-2 to**  
12 **establish requirements regarding virtual education programs,**  
13 **including the following:**

14 (1) **Minimum requirements for the mandatory onboarding**  
15 **process and orientation required under section 3 of this**



- 1 chapter.
- 2 (2) Requirements relating to tracking and monitoring student
- 3 participation and attendance.
- 4 (3) Ongoing student engagement and counseling policy
- 5 requirements.
- 6 (4) Employee policy requirements, including professional
- 7 development requirements.
- 8 (5) Financial and data reporting requirements that are in
- 9 addition to any other financial and data reporting
- 10 requirements for school corporations.
- 11 (6) Maximum student to teacher ratios.
- 12 **Sec. 3. (a) A school corporation shall establish and implement an**
- 13 **onboarding process and orientation for students participating in a**
- 14 **virtual education program.**
- 15 (b) After July 1, 2019, a student may not participate in a school
- 16 corporation's virtual education program unless the student has
- 17 completed the onboarding process and orientation established by
- 18 a school corporation under subsection (a).
- 19 (c) Nothing in this section may be construed to prohibit a
- 20 student from otherwise receiving instructional services from the
- 21 school corporation in which the student has legal settlement.
- 22 However, a student who does not meet the requirements of
- 23 subsection (b) may not participate in the school corporation's
- 24 virtual education program.
- 25 **Sec. 4. If the lesser of at least:**
- 26 (1) one hundred (100) students of a school corporation; or
- 27 (2) twenty-five percent (25%) of the total number of students
- 28 enrolled in the school corporation;
- 29 receive at least fifty percent (50%) of instruction through a school
- 30 corporation's virtual education program, the school corporation
- 31 shall establish a dedicated virtual education school.
- 32 **Sec. 5. (a) This section applies to a virtual education program**
- 33 **established by a school corporation after June 30, 2019.**
- 34 (b) Not more than five hundred (500) students may participate
- 35 in a school corporation's virtual education program during the
- 36 virtual education program's first year of operation.
- 37 (c) This subsection applies only to the three (3) years
- 38 immediately following the first year of operation of a virtual
- 39 education program. A school corporation may not increase the
- 40 number of students enrolled in the school corporation's virtual
- 41 education program by more than fifteen percent (15%) of the total
- 42 number of students who participated in the virtual education



1 program in the immediately preceding school year if, in the  
 2 immediately preceding school year, more than two hundred fifty  
 3 (250) students who are included in the school corporation's ADM  
 4 count participated in the virtual education program.

5 (d) A school corporation may request that the state board waive  
 6 the limitation under subsection (c). The state board may waive the  
 7 limitation under subsection (c) upon a school corporation's request.

8 SECTION 2. IC 20-24-1-10 IS ADDED TO THE INDIANA CODE  
 9 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 10 1, 2019]: Sec. 10. "Virtual charter school" means any charter  
 11 school, including a conversion charter school, in which more than  
 12 fifty percent (50%) of instruction is provided in an interactive  
 13 learning environment created through technology in which  
 14 students are separated from their teacher by time or space, or  
 15 both.

16 SECTION 3. IC 20-24-2.2-1.2, AS ADDED BY P.L.221-2015,  
 17 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 18 JULY 1, 2019]: Sec. 1.2. (a) This section applies to an authorizer  
 19 described in IC 20-24-1-2.5(1), IC 20-24-1-2.5(2), and  
 20 IC 20-24-1-2.5(5) if the does not apply to an authorizer described in  
 21 IC 20-24-1-2.5(2) or IC 20-24-1-2.5(5) that has not previously issued  
 22 a charter for any charter school prior to July 1, 2015.

23 (b) A governing body of a school corporation may register with the  
 24 state board for charter authority within the attendance area of the  
 25 school corporation. The state board shall post on the state board's  
 26 Internet web site an application received from an authorizer to register  
 27 with the state board under this section within ten (10) days after receipt  
 28 of the application. The state board may not charge an authorizer a fee  
 29 to register with the state board under this section.

30 (c) A governing board of a nonprofit college or university described  
 31 in IC 20-24-1-2.5(5) may apply to the state board for statewide,  
 32 regional, or local chartering authority.

33 (d) The state board shall publicize to all governing bodies the  
 34 opportunity to register with the state board for chartering authority  
 35 within their school corporation. Not later than May 1 of each year, the  
 36 state board shall provide information about the opportunity, including  
 37 a registration deadline, to all governing bodies. To register as an  
 38 authorizer, each interested governing body must submit the following  
 39 information in a format prescribed by the state board:

40 (1) A written notification of intent to serve as a charter authorizer  
 41 in accordance with this article.

42 (2) An explanation of the governing body's strategic vision for



- 1 chartering.
- 2 (3) An explanation of the governing body's budget and personnel
- 3 capacity and commitment to execute the duties of quality charter
- 4 authorizing in accordance with this article.
- 5 (4) An explanation of how the governing body will solicit charter
- 6 school applicants in accordance with IC 20-24-3.
- 7 (5) A description or outline of the performance framework the
- 8 governing body will use to guide the establishment of a charter
- 9 contract and for the oversight and evaluation of charter schools,
- 10 consistent with this article.
- 11 (6) A draft of the governing body's renewal, revocation, and
- 12 nonrenewal processes, consistent with this article.
- 13 (7) A statement of assurance that the governing body commits to
- 14 serving as a charter authorizer in fulfillment of the expectations,
- 15 spirit, and intent of this article, and that the governing body will
- 16 fully adopt standards of quality charter school authorizing in
- 17 accordance with section 1.5 of this chapter.
- 18 (e) Within sixty (60) days of receipt of the information described in
- 19 subsection (d), the state board shall register the governing body as a
- 20 charter authorizer within the attendance area of the school corporation
- 21 and shall provide the governing body a letter confirming the governing
- 22 body's registration as a charter authorizer. A governing body may not
- 23 engage in any charter authorizing functions without a current
- 24 registration as a charter authorizer with the state board.
- 25 (f) The state board shall establish an annual application and
- 26 approval process, including cycles and deadlines during the state fiscal
- 27 year, for registering an entity described in IC 20-24-1-2.5(5) for
- 28 authorizer authority. Not later than May 1 of each year, the state board
- 29 shall make available information and guidelines for an applicant
- 30 described in IC 20-24-1-2.5(5) concerning the opportunity to apply for
- 31 chartering authority under this article. The application process must
- 32 require each applicant to submit an application that clearly explains or
- 33 presents the following elements:
- 34 (1) A written notification of intent to serve as a charter authorizer
- 35 in accordance with this article.
- 36 (2) The applicant's strategic vision for chartering.
- 37 (3) A plan to support the applicant's strategic vision described in
- 38 subdivision (2), including an explanation and evidence of the
- 39 applicant's budget and personnel capacity and commitment to
- 40 execute the duties of quality charter authorizing in accordance
- 41 with this article.
- 42 (4) A draft or preliminary outline of the request for proposals that



- 1 the applicant would, if approved by the state board under this  
 2 section, issue to solicit charter school applicants under  
 3 IC 20-24-3.
- 4 (5) A draft of the performance framework that the applicant  
 5 would, if approved by the state board under this section, use to  
 6 guide the establishment of a charter contract and for ongoing  
 7 oversight and evaluation of charter schools consistent with this  
 8 article.
- 9 (6) A draft of the applicant's renewal, revocation, and nonrenewal  
 10 processes.
- 11 (7) A statement of assurance that the applicant commits to serving  
 12 as a charter authorizer in fulfillment of the expectations, spirit,  
 13 and intent of this article, and that the applicant will fully adopt  
 14 standards of quality charter school authorizing in accordance with  
 15 section 1.5 of this chapter.
- 16 (g) Not later than July 1 of each year, the state board shall grant or  
 17 deny chartering authority to an applicant under subsection (f). The state  
 18 board shall make its decision on the merits of each applicant's proposal  
 19 and plans submitted under subsection (f).
- 20 (h) Within thirty (30) days of the state board's decision under  
 21 subsection (g), the state board shall execute a renewable authorizing  
 22 contract with an applicant that the state board has approved for  
 23 chartering authority. The initial term of each authorizing contract is six  
 24 (6) years. The authorizing contract must specify each approved  
 25 applicant's agreement to serve as a charter authorizer in accordance  
 26 with this article and shall specify additional performance terms based  
 27 on the applicant's proposal and plan for chartering. An approved  
 28 applicant may not commence charter authorizing without an  
 29 authorizing contract in effect.
- 30 (i) The state board shall maintain on the state board's Internet web  
 31 site the names of each authorizer approved by the state board under this  
 32 section.
- 33 **(j) If an authorizer described in IC 20-24-1-2.5(1) issued a**  
 34 **charter before July 1, 2015, the authorizer must comply with this**  
 35 **section before it may renew an existing charter or authorize a new**  
 36 **charter for a charter school. If an authorizer described in this**  
 37 **subsection:**
- 38 **(1) issued a charter before July 1, 2015;**  
 39 **(2) authorizes more than one (1) charter school; and**  
 40 **(3) is denied charter authority by the state board when the**  
 41 **authorizer applies to register for charter authority under this**  
 42 **section;**



1 the authorizer may, subject to any other requirements or  
 2 limitations under this article, complete the term of each current  
 3 charter but may not subsequently renew the charter for any  
 4 charter school or grant any new charters.

5 SECTION 4. IC 20-24-2.2-2 IS REPEALED [EFFECTIVE JULY  
 6 1, 2019]. Sec. 2: (a) The minimum standard for renewal and the  
 7 standard to avoid closure imposed by authorizers on a charter school  
 8 is a requirement that the charter school not remain in the lowest  
 9 category or designation of school improvement, including any  
 10 alternative accountability category or designation, in the third year after  
 11 initial placement in the lowest category or designation established  
 12 under IC 20-31-8-4.

13 (b) An authorizer of a charter school that does not meet the  
 14 minimum standard for charter school renewal described in subsection  
 15 (a) may petition the state board at any time to request permission to  
 16 renew the charter school's charter notwithstanding the fact that the  
 17 charter school does not meet the minimum standard. If timely  
 18 notification is made, the state board shall hold a hearing to consider the  
 19 authorizer's request at the state board's next regularly scheduled board  
 20 meeting.

21 (c) In determining whether to grant a request under subsection (b);  
 22 the state board shall consider the following:

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

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

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

32 (d) After the hearing, the state board must implement one (1) or  
 33 more of the following actions:

34 (1) Grant the authorizer's request to renew the charter of the  
 35 charter school. The state board may determine the length of the  
 36 renewal and any conditions of the renewal placed upon either the  
 37 charter school or the authorizer.

38 (2) Order the closure of the charter school at the end of the  
 39 current school year.

40 (3) Order the reduction of any administrative fee collected under  
 41 IC 20-24-7-4 that is applicable to the charter school identified in  
 42 subsection (b). The reduction must become effective at the





- 1 beginning of the month following the month of the authorizer's  
 2 hearing before the state board:  
 3 A charter school that is closed by the state board under this section may  
 4 not be granted a charter by any authorizer.
- 5 SECTION 5. IC 20-24-2.2-2.5 IS ADDED TO THE INDIANA  
 6 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 7 [EFFECTIVE JULY 1, 2019]: **Sec. 2.5. (a) If a charter school is**  
 8 **placed in the lowest category or designation of school improvement**  
 9 **under IC 20-31-8-4, including any alternative accountability**  
 10 **category or designation, for the third year after initial placement**  
 11 **in the lowest category or designation under IC 20-31-8-4, the state**  
 12 **board shall:**
- 13 (1) hold a hearing; and
  - 14 (2) implement one (1) of the following actions:
    - 15 (A) Require the implementation of a charter school
    - 16 improvement plan.
    - 17 (B) Order the reduction of any administrative fee collected
    - 18 under IC 20-24-7-4 or IC 20-24-7-4.5 that is applicable to
    - 19 the charter school. The reduction must become effective at
    - 20 the beginning of the month following the month of the
    - 21 authorizer's hearing before the state board.
    - 22 (C) Cancel the charter between the authorizer and
    - 23 organizer.
    - 24 (D) Order the closure of the charter school at the end of
    - 25 the current school year.
- 26 A charter school that is closed by the state board under this section  
 27 may not be granted a charter by any authorizer.
- 28 (b) In determining which action to implement under subsection  
 29 (a)(2), the state board shall consider the following:
- 30 (1) Enrollment of students with special challenges, such as
  - 31 drug or alcohol addiction, prior withdrawal from school,
  - 32 prior incarceration, or other special circumstances.
  - 33 (2) High mobility of the student population resulting from the
  - 34 specific purpose of the charter school.
  - 35 (3) Annual improvement in the performance of students
  - 36 enrolled in the charter school, as measured by IC 20-31-8-1,
  - 37 compared with the performance of students enrolled in the
  - 38 charter school in the immediately preceding school year.
- 39 SECTION 6. IC 20-24-2.2-2.7 IS ADDED TO THE INDIANA  
 40 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 41 [EFFECTIVE JULY 1, 2019]: **Sec. 2.7. If a virtual charter school is**  
 42 **placed in the lowest category or designation under IC 20-31-8-4 for**



1 **four (4) consecutive years:**

2 **(1) a new student who is not currently enrolled in the virtual**  
 3 **charter school may not enroll in the virtual charter school;**  
 4 **and**

5 **(2) the virtual charter school may not accept new students**  
 6 **who are not currently enrolled in the virtual charter school;**  
 7 **until the virtual charter school is placed in a middle category or**  
 8 **designation or higher category or designation.**

9 SECTION 7. IC 20-24-2.2-4, AS AMENDED BY P.L.250-2017,  
 10 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 11 JULY 1, 2019]: Sec. 4. If any authorizer renews the charter of, fails to  
 12 close, or grants a new charter to a charter school that the state board  
 13 has ordered closed under section ~~2(4)~~ 2.5 of this chapter, the  
 14 authorizer's authority to authorize new charter schools may be  
 15 suspended by the state board until such a time as the state board  
 16 formally approves the authorizer to authorize new charter schools. A  
 17 determination under this section to suspend an authorizer's authority to  
 18 authorize new charter schools must identify the deficiencies that, if  
 19 corrected, will result in the approval of the authorizer to authorize new  
 20 charter schools.

21 SECTION 8. IC 20-24-2.2-6, AS AMENDED BY P.L.250-2017,  
 22 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 23 JULY 1, 2019]: Sec. 6. (a) If deficiencies identified under section 4 of  
 24 this chapter are not corrected within two (2) years after the date the  
 25 state board suspends the authorizer's authority to authorize new charter  
 26 schools in a final order under section 4 of this chapter, the state board,  
 27 following an affirmative vote of two-thirds (2/3) of the members, may  
 28 revoke the authorizer's authority to function as an authorizer. The state  
 29 board shall take all necessary steps to decommission the authorizer,  
 30 including overseeing the orderly winding up of authorization activities  
 31 or responsibilities, and ensuring the transfer of any charter school  
 32 records or administrative fees due under IC 20-24-7-4 in the  
 33 authorizer's custody.

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



1 A charter school that is closed by the state board under section ~~2~~ **2.5** of  
 2 this chapter may not be approved by another authorizer under this  
 3 subsection.

4 SECTION 9. IC 20-24-4-1, AS AMENDED BY P.L.192-2018,  
 5 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 6 JULY 1, 2019]: Sec. 1. (a) A charter must meet the following  
 7 requirements:

- 8 (1) Be a written instrument.  
 9 (2) Be executed by an authorizer and an organizer.  
 10 (3) Confer certain rights, franchises, privileges, and obligations  
 11 on a charter school.  
 12 (4) Confirm the status of a charter school as a public school.  
 13 (5) Subject to subdivision (6)(E) **and (18)**, be granted for:  
 14 (A) not less than three (3) years or more than seven (7) years;  
 15 and  
 16 (B) a fixed number of years agreed to by the authorizer and the  
 17 organizer.  
 18 (6) Provide for the following:  
 19 (A) A review by the authorizer of the charter school's  
 20 performance, including the progress of the charter school in  
 21 achieving the academic goals set forth in the charter, at least  
 22 one (1) time in each five (5) year period while the charter is in  
 23 effect.  
 24 (B) Renewal, if the authorizer and the organizer agree to renew  
 25 the charter.  
 26 (C) The renewal application must include guidance from the  
 27 authorizer, and the guidance must include the performance  
 28 criteria that will guide the authorizer's renewal decisions.  
 29 (D) The renewal application process must, at a minimum,  
 30 provide an opportunity for the charter school to:  
 31 (i) present additional evidence, beyond the data contained in  
 32 the performance report, supporting its case for charter  
 33 renewal;  
 34 (ii) describe improvements undertaken or planned for the  
 35 charter school; and  
 36 (iii) detail the charter school's plans for the next charter  
 37 term.  
 38 (E) Not later than the end of the calendar year in which the  
 39 charter school seeks renewal of a charter, the governing board  
 40 of a charter school seeking renewal shall submit a renewal  
 41 application to the charter authorizer under the renewal  
 42 application guidance issued by the authorizer. The authorizer



- 1 shall make a final ruling on the renewal application not later  
 2 than April 1 after the filing of the renewal application. A  
 3 renewal granted under this clause is not subject to the three (3)  
 4 year minimum described in subdivision (5). The April 1  
 5 deadline does not apply to any review or appeal of a final  
 6 ruling. After the final ruling is issued, the charter school may  
 7 obtain further review by the authorizer of the authorizer's final  
 8 ruling in accordance with the terms of the charter school's  
 9 charter and the protocols of the authorizer.
- 10 (7) Specify the grounds for the authorizer to:  
 11 (A) revoke the charter before the end of the term for which the  
 12 charter is granted; or  
 13 (B) not renew a charter.
- 14 (8) Set forth the methods by which the charter school will be held  
 15 accountable for achieving the educational mission and goals of  
 16 the charter school, including the following:  
 17 (A) Evidence of improvement in:  
 18 (i) assessment measures, including the statewide assessment  
 19 program measures;  
 20 (ii) attendance rates;  
 21 (iii) graduation rates (if appropriate);  
 22 (iv) increased numbers of Indiana diplomas with a Core 40  
 23 designation and other college and career ready indicators  
 24 including advanced placement participation and passage,  
 25 dual credit participation and passage, and International  
 26 Baccalaureate participation and passage (if appropriate);  
 27 (v) increased numbers of Indiana diplomas with Core 40  
 28 with academic honors and technical honors designations (if  
 29 appropriate);  
 30 (vi) student academic growth;  
 31 (vii) financial performance and stability; and  
 32 (viii) governing board performance and stewardship,  
 33 including compliance with applicable laws, rules and  
 34 regulations, and charter terms.
- 35 (B) Evidence of progress toward reaching the educational  
 36 goals set by the organizer.
- 37 (9) Describe the method to be used to monitor the charter  
 38 school's:  
 39 (A) compliance with applicable law; and  
 40 (B) performance in meeting targeted educational performance.
- 41 (10) Specify that the authorizer and the organizer may amend the  
 42 charter during the term of the charter by mutual consent and



- 1 describe the process for amending the charter.  
 2 (11) Describe specific operating requirements, including all the  
 3 matters set forth in the application for the charter.  
 4 (12) Specify a date when the charter school will:  
 5 (A) begin school operations; and  
 6 (B) have students attending the charter school.  
 7 (13) Specify that records of a charter school relating to the  
 8 school's operation and charter are subject to inspection and  
 9 copying to the same extent that records of a public school are  
 10 subject to inspection and copying under IC 5-14-3.  
 11 (14) Specify that records provided by the charter school to the  
 12 department or authorizer that relate to compliance by the  
 13 organizer with the terms of the charter or applicable state or  
 14 federal laws are subject to inspection and copying in accordance  
 15 with IC 5-14-3.  
 16 (15) Specify that the charter school is subject to the requirements  
 17 of IC 5-14-1.5.  
 18 (16) This subdivision applies to a charter established or renewed  
 19 for an adult high school after June 30, 2014. The charter must  
 20 require:  
 21 (A) that the school will offer flexible scheduling;  
 22 (B) that students will not complete the majority of instruction  
 23 of the school's curriculum online or through remote  
 24 instruction;  
 25 (C) that the school will offer dual credit or industry  
 26 certification course work that aligns with career pathways as  
 27 recommended by the Indiana career council established by  
 28 IC 22-4.5-9-3; and  
 29 (D) a plan:  
 30 (i) to support successful program completion and to assist  
 31 transition of graduates to the workforce or to a  
 32 postsecondary education upon receiving a diploma from the  
 33 adult high school; and  
 34 (ii) to review individual student accomplishments and  
 35 success after a student receives a diploma from the adult  
 36 high school.  
 37 **(17) This subdivision applies to a charter between an**  
 38 **authorizer and an organizer of a virtual charter school**  
 39 **granted or renewed after June 30, 2019. The charter must**  
 40 **require that, if the virtual charter school is placed in the**  
 41 **lowest category or designation under IC 20-31-8-4 for four (4)**  
 42 **consecutive years, the charter school may not accept new**



1 students who are not currently enrolled at the charter school  
 2 until the charter school is placed in a middle category or  
 3 designation or higher category or designation.

4 **(18) This subdivision applies to a charter between an**  
 5 **authorizer and an organizer of a charter school granted or**  
 6 **renewed after June 30, 2019. The charter must require that a**  
 7 **charter school:**

8 **(A) comply with actions implemented by the state board**  
 9 **under IC 20-24-2.2-2.5; and**

10 **(B) if the state board implements closure of the charter**  
 11 **school under IC 20-24-2.2-2.5, the charter is revoked at the**  
 12 **time the charter school closes.**

13 (b) A charter school shall set annual performance targets in  
 14 conjunction with the charter school's authorizer. The annual  
 15 performance targets shall be designed to help each school meet  
 16 applicable federal, state, and authorizer expectations.

17 SECTION 10. IC 20-24-5-4.5 IS ADDED TO THE INDIANA  
 18 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 19 [EFFECTIVE JULY 1, 2019]: **Sec. 4.5. (a) A virtual charter school**  
 20 **shall establish and implement an onboarding process and**  
 21 **orientation for all virtual charter school students.**

22 **(b) A student who enrolls or is enrolled in a virtual charter**  
 23 **school must participate in the onboarding process and orientation**  
 24 **described in subsection (a).**

25 **(c) If a student does not participate in the onboarding process**  
 26 **and orientation as required under subsection (b), the student must**  
 27 **be withdrawn from enrollment in the virtual charter school.**

28 **(d) An authorizer shall review and monitor whether a virtual**  
 29 **charter school that is authorized by the authorizer complies with**  
 30 **the requirements under this section.**

31 SECTION 11. IC 20-24-5-6 IS ADDED TO THE INDIANA CODE  
 32 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 33 1, 2019]: **Sec. 6. (a) This section applies to a virtual charter school**  
 34 **established after June 30, 2019.**

35 **(b) A newly established virtual charter school may not enroll**  
 36 **more than five hundred (500) students in the virtual charter school**  
 37 **during the virtual charter school's first year of operation.**

38 **(c) This subsection applies only to the three (3) years**  
 39 **immediately following the first year of operation of a virtual**  
 40 **charter school. Except as provided under subsection (a), a virtual**  
 41 **charter school may not increase the number of students enrolled in**  
 42 **the virtual charter school by more than fifteen percent (15%) of**



1 **the total number of students enrolled in the virtual charter school**  
 2 **in the immediately preceding school year if, in the immediately**  
 3 **preceding school year, the virtual charter school had an enrollment**  
 4 **of more than two hundred fifty (250) students who are included in**  
 5 **the virtual charter school's ADM count.**

6 **(d) A virtual charter school may request that the state board**  
 7 **waive the limitation under subsection (c). The state board may**  
 8 **waive the limitation under subsection (c) upon a virtual charter**  
 9 **school's request.**

10 SECTION 12. IC 20-24-7-4, AS AMENDED BY P.L.221-2015,  
 11 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 12 JULY 1, 2019]: Sec. 4. (a) **Except as provided in subsection (g),**  
 13 services that a school corporation provides to a charter school,  
 14 including transportation, may be provided at not more than one  
 15 hundred three percent (103%) of the actual cost of the services.

16 (b) This subsection applies to an authorizer that is a state  
 17 educational institution described in IC 20-24-1-2.5(2). Except as  
 18 provided in ~~subsection~~ **subsections (f) and (g)**, in a state fiscal year, a  
 19 state educational institution may receive from the organizer of a charter  
 20 school authorized by the state educational institution an administrative  
 21 fee equal to not more than three percent (3%) of the total amount the  
 22 organizer receives during the state fiscal year from basic tuition support  
 23 (as defined in IC 20-43-1-8).

24 (c) This subsection applies to the executive of a consolidated city  
 25 that authorizes a charter school. Except as provided in ~~subsection~~  
 26 **subsections (f) and (g)**, in a state fiscal year, the executive may collect  
 27 from the organizer of a charter school authorized by the executive an  
 28 administrative fee equal to not more than three percent (3%) of the total  
 29 amount the organizer receives during the state fiscal year for basic  
 30 tuition support.

31 (d) This subsection applies to an authorizer that is a nonprofit  
 32 college or university that is approved by the state board of education.  
 33 Except as provided in IC 20-24-2.2-1.5 and ~~subsection~~ **subsections (f)**  
 34 **and (g)**, in a state fiscal year, a private college or university may collect  
 35 from the organizer of a charter school authorized by the private college  
 36 or university an administrative fee equal to not more than three percent  
 37 (3%) of the total amount the organizer receives during the state fiscal  
 38 year for basic tuition support.

39 (e) This subsection applies to the charter board. Except as provided  
 40 in ~~subsection~~ **subsections (f) and (g)**, in a state fiscal year, the charter  
 41 school board may collect from the organizer of a charter school  
 42 authorized by the charter board an administrative fee equal to not more



1 than three percent (3%) of the total amount the organizer receives  
2 during the state fiscal year for basic tuition support.

3 (f) This subsection applies to an adult high school. **Except as**  
4 **provided in subsection g**, an authorizer described in subsections (b)  
5 through (e) may collect an administrative fee equal to not more than  
6 three percent (3%) of the total state appropriation to the adult high  
7 school for a state fiscal year under section 13.5 of this chapter.

8 **(g) This subsection applies to a charter granted or renewed after**  
9 **June 30, 2019. Except as provided under section 4.5 of this chapter,**  
10 **an authorizer described in subsections 4(a) through (f) may collect**  
11 **from the organizer of a virtual charter school authorized by the**  
12 **authorizer an administrative fee equal to not more than one and**  
13 **twenty-five hundredths percent (1.25%) of the total amount the**  
14 **organizer receives during the state fiscal year for basic tuition**  
15 **support.**

16 ~~(g)~~ **(h)** An authorizer's administrative fee may not include any costs  
17 incurred in delivering services that a charter school may purchase at its  
18 discretion from the authorizer. The authorizer shall use its funding  
19 provided under this section exclusively for the purpose of fulfilling  
20 authorizing obligations.

21 ~~(h)~~ **(i)** Except for oversight services, a charter school may not be  
22 required to purchase services from its authorizer as a condition of  
23 charter approval or of executing a charter contract, nor may any such  
24 condition be implied.

25 ~~(i)~~ **(j)** A charter school may choose to purchase services from its  
26 authorizer. In that event, the charter school and authorizer shall execute  
27 an annual service contract, separate from the charter contract, stating  
28 the parties' mutual agreement concerning the services to be provided  
29 by the authorizer and any service fees to be charged to the charter  
30 school. An authorizer may not charge more than market rates for  
31 services provided to a charter school.

32 ~~(j)~~ **(k)** Not later than ninety (90) days after the end of each fiscal  
33 year, each authorizer shall provide to each charter school it authorizes  
34 an itemized accounting of the actual costs of services purchased by the  
35 charter school from the authorizer. Any difference between the amount  
36 initially charged to the charter school and the actual cost shall be  
37 reconciled and paid to the owed party. If either party disputes the  
38 itemized accounting, any charges included in the accounting, or  
39 charges to either party, either party may request a review by the  
40 department. The requesting party shall pay the costs of the review.

41 SECTION 13. IC 20-24-7-4.5 IS ADDED TO THE INDIANA  
42 CODE AS A NEW SECTION TO READ AS FOLLOWS





1 [EFFECTIVE JULY 1, 2019]: Sec. 4.5. (a) An authorizer described  
 2 in section 4(g) of this chapter may submit a request to the  
 3 department to increase the administrative fee that an authorizer  
 4 may receive from the organizer of a virtual charter school under  
 5 section 4(g) of this chapter, to cover the authorizer's costs in  
 6 fulfilling the authorizer's obligations regarding the virtual charter  
 7 school. The state board may increase the administrative fee of an  
 8 authorizer under this section to an amount equal to not more than  
 9 two percent (2%) of the total amount the organizer receives during  
 10 the state fiscal year for basic tuition support.

11 (b) An authorizer shall, with a request submitted under  
 12 subsection (a), provide the following to the department:

13 (1) Financial materials documenting the authorizer's actual  
 14 costs regarding the virtual charter school.

15 (2) Information demonstrating the need for additional funds  
 16 to fulfill the authorizer's obligations regarding the virtual  
 17 charter school.

18 (c) The department shall:

19 (1) evaluate the request and information submitted by an  
 20 authorizer under this section; and

21 (2) make a recommendation to the state board regarding the  
 22 authorizer's request.

23 (d) If an authorizer submits a request and otherwise complies  
 24 with this section, the state board may approve an authorizer's  
 25 request to increase the administrative fee that an authorizer may  
 26 receive from an organizer of a virtual charter school to an amount  
 27 equal to not more than two percent (2%) of the total amount that  
 28 the organizer receives during the state fiscal year for basic tuition  
 29 support.

30 (e) If the state board approves a request for an increase as  
 31 described in subsection (d), the increase is approved for only one  
 32 (1) year. An authorizer must submit a request and comply with this  
 33 section each year to receive an increase of an administrative fee as  
 34 provided under this section for the year.

35 SECTION 14. IC 20-24-7-13, AS AMENDED BY P.L.191-2018,  
 36 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 37 JULY 1, 2019]: Sec. 13. (a) As used in this section, "virtual charter  
 38 school" means any charter school, including a conversion charter  
 39 school, in which more than fifty percent (50%) of instruction is  
 40 provided in an interactive learning environment created through  
 41 technology in which students are separated from their teacher by time  
 42 or space; or both.



1           ~~(b)~~ **(a)** A virtual charter school may apply for authorization with any  
2 statewide authorizer in accordance with the authorizer's guidelines.

3           ~~(c)~~ **(b)** For each state fiscal year, a virtual charter school is entitled  
4 to receive funding in a month from the state in an amount equal to the  
5 sum of:

6           (1) the product of:

7                   (A) the number of students included in the virtual charter  
8 school's current ADM; multiplied by

9                   (B) the result of:

10                          (i) ninety percent (90%) of the school's foundation amount  
11 determined under IC 20-43-3-8; divided by

12                          (ii) twelve (12); plus

13           (2) the total of any:

14                   (A) special education grants under IC 20-43-7;

15                   (B) career and technical education grants under IC 20-43-8;

16                   (C) honor grants under IC 20-43-10; and

17                   (D) complexity grants under IC 20-43-13;

18           to which the virtual charter school is entitled for the month.

19 For each state fiscal year, a virtual charter school is entitled to receive  
20 special education grants under IC 20-43-7 calculated in the same  
21 manner as special education grants are calculated for other school  
22 corporations.

23           ~~(d)~~ **(c)** The state board shall adopt rules under IC 4-22-2 to govern  
24 the operation of virtual charter schools. **The rules adopted under this  
25 subsection may include the following:**

26                   **(1) Minimum requirements for the mandatory onboarding  
27 process and orientation required under IC 20-24-5-4.5.**

28                   **(2) Requirements relating to tracking and monitoring student  
29 participation and attendance.**

30                   **(3) Ongoing student engagement and counseling policy  
31 requirements.**

32                   **(4) Employee policy requirements, including professional  
33 development requirements.**

34                   **(5) Financial and data reporting requirements that are in  
35 addition to any other financial and data reporting  
36 requirements for virtual charter schools.**

37                   **(6) Maximum student to teacher ratios.**

38           ~~(e)~~ **(d)** The department, with the approval of the state board, shall  
39 before December 1 of each year submit an annual report to the budget  
40 committee concerning the program under this section.

41           ~~(f)~~ **(e)** Each school year, at least sixty percent (60%) of the students  
42 who are enrolled in virtual charter schools under this section for the



1 first time must have been included in the state's fall count of ADM  
2 conducted in the previous school year.

3 ~~(g)~~ **(f)** Each virtual charter school shall report annually to the  
4 department concerning the following, on a schedule determined by the  
5 department:

- 6 (1) Classroom size.  
7 (2) The ratio of teachers per classroom.  
8 (3) The number of student-teacher meetings conducted in person  
9 or by video conference.  
10 (4) Any other information determined by the department.

11 The department shall provide this information annually to the state  
12 board of education and the legislative council in an electronic format  
13 under IC 5-14-6.

14 ~~(h)~~ **(g)** A virtual charter school shall adopt a student engagement  
15 policy. A student who regularly fails to participate in courses may be  
16 withdrawn from enrollment under policies adopted by the virtual  
17 charter school. The policies adopted by the virtual charter school must  
18 ensure that:

- 19 (1) adequate notice of the withdrawal is provided to the parent  
20 and the student; and  
21 (2) an opportunity is provided, before the withdrawal of the  
22 student by the virtual charter school, for the student or the parent  
23 to demonstrate that failure to participate in the course is due to an  
24 event that would be considered an excused absence under  
25 IC 20-33-2.

26 ~~(i)~~ **(h)** A student who is withdrawn from enrollment for failure to  
27 participate in courses pursuant to the school's student engagement  
28 policy may not reenroll in that same virtual charter school for the  
29 school year in which the student is withdrawn.

30 ~~(j)~~ **(i)** An authorizer shall review and monitor whether a virtual  
31 charter school that is authorized by the authorizer complies with the  
32 requirements described in ~~subsection (h) or (i):~~ **subsections (g) and**  
33 **(h).**

34 SECTION 15. IC 20-30-5-20, AS AMENDED BY P.L.228-2017,  
35 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
36 JULY 1, 2019]: Sec. 20. (a) As used in this section, "charter school"  
37 does not include a virtual charter school, as defined in ~~IC 20-24-7-13:~~  
38 **IC 20-24-1-10.**

39 (b) As used in this section, "psychomotor skills" means skills using  
40 hands on practice to support cognitive learning.

41 (c) Except as provided in subsection (f), each school corporation,  
42 charter school, and accredited nonpublic school shall include in the



1 charter school's, school corporation's, or accredited nonpublic school's  
 2 high school health education curriculum instruction in  
 3 cardiopulmonary resuscitation and use of an automated external  
 4 defibrillator for its students. The instruction must incorporate the  
 5 psychomotor skills necessary to perform cardiopulmonary resuscitation  
 6 and use an automated external defibrillator and must include either of  
 7 the following:

8 (1) An instructional program developed by the American Heart  
 9 Association or the American Red Cross.

10 (2) An instructional program that is nationally recognized and is  
 11 based on the most current national evidence based emergency  
 12 cardiovascular care guidelines for cardiopulmonary resuscitation  
 13 and the use of an automated external defibrillator.

14 (d) A school corporation, charter school, or an accredited nonpublic  
 15 school may offer the instruction required in subsection (c) or may  
 16 arrange for the instruction to be provided by available community  
 17 based providers. The instruction is not required to be provided by a  
 18 teacher. If instruction is provided by a teacher, the teacher is not  
 19 required to be a certified trainer of cardiopulmonary resuscitation.

20 (e) This section shall not be construed to require a student to  
 21 become certified in cardiopulmonary resuscitation and the use of an  
 22 automated external defibrillator. However, if a school corporation,  
 23 charter school, or accredited nonpublic school chooses to offer a course  
 24 that results in certification being earned, the course must be taught by  
 25 an instructor authorized to provide the instruction by the American  
 26 Heart Association, the American Red Cross, or a similar nationally  
 27 recognized association.

28 (f) A school administrator may waive the requirement that a student  
 29 receive instruction under subsection (c) if the student has a disability  
 30 or is physically unable to perform the psychomotor skill component of  
 31 the instruction required under subsection (c).

32 SECTION 16. IC 20-43-1-31, AS ADDED BY P.L.182-2009(ss),  
 33 SECTION 327, IS AMENDED TO READ AS FOLLOWS  
 34 [EFFECTIVE JULY 1, 2019]: Sec. 31. "Virtual charter school" has the  
 35 meaning set forth in ~~IC 20-24-7-13~~. **IC 20-24-1-10.**

36 SECTION 17. IC 20-43-1-33 IS ADDED TO THE INDIANA  
 37 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 38 [EFFECTIVE JULY 1, 2019]: **Sec. 33. "Virtual instruction" means**  
 39 **instruction that is provided in an interactive learning environment**  
 40 **created through technology in which a student is separated from**  
 41 **a teacher by time or space, or both.**

42 SECTION 18. IC 20-43-6-3, AS AMENDED BY P.L.217-2017,



1 SECTION 127, IS AMENDED TO READ AS FOLLOWS  
 2 [EFFECTIVE JULY 1, 2019]: Sec. 3. (a) A school corporation's basic  
 3 tuition support for a state fiscal year is the amount determined under  
 4 the applicable provision of this section.

5 (b) The school corporation's basic tuition support for a state fiscal  
 6 year is equal to the **result of STEP FIVE in the following formula:**

7 **STEP ONE: Determine the total number of students in the**  
 8 **school corporation's current ADM for the year who, of the**  
 9 **instructional services that the students receive from the school**  
 10 **corporation, at least fifteen percent (15%) is virtual**  
 11 **instruction.**

12 **STEP TWO: Determine the result of:**

13 (A) ~~foundation amount; multiplied by~~ the school corporation's  
 14 current ADM for the year; **minus**

15 (B) the STEP ONE amount.

16 **STEP THREE: Determine the result of:**

17 (A) the foundation amount; multiplied by

18 (B) the STEP TWO amount.

19 **STEP FOUR: Determine the result of:**

20 (A) the STEP ONE amount; multiplied by

21 (B) ninety percent (90%) of the foundation amount.

22 **STEP FIVE: Determine the result of:**

23 (A) the STEP THREE amount; plus

24 (B) the STEP FOUR amount.

25 (c) This subsection applies to students of a virtual charter school. A  
 26 virtual charter school's basic tuition support for a state fiscal year for  
 27 those students is the amount determined under IC 20-24-7-13.

