

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 ENROLLED ACT No. 567

AN ACT to amend the Indiana Code concerning education.

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

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

Chapter 8. School Corporation Virtual Education Programs

Sec. 1. As used in this chapter, "virtual education program" means a program provided by a school corporation in which more than fifty percent (50%) of instruction, other than instruction for recovery credit courses, to students participating in the program 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.

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

- (1) Minimum requirements for the mandatory annual onboarding process and orientation required under section 3 of this chapter.**
- (2) Requirements relating to tracking and monitoring student participation and attendance.**
- (3) Ongoing student engagement and counseling policy requirements.**
- (4) Employee policy requirements, including professional**

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development requirements.

Sec. 3. (a) A school corporation shall establish and implement an annual onboarding process and orientation for a parent of a student and a student participating in a virtual education program. As part of the annual onboarding process and orientation, the school corporation must provide to a parent of a student:

- (1) the student engagement and attendance requirements or policies of the virtual education program; and
- (2) notice that a person who knowingly or intentionally deprives a dependent of education commits a violation under IC 35-46-1-4.

(b) A student who does not participate in a school corporation's virtual education program before July 1, 2020, must complete the annual onboarding process and orientation established by the school corporation under subsection (a) with the student's parent before the student may participate in the school corporation's virtual education program. If a student or student's parent does not participate in the school corporation's annual onboarding process and orientation established under subsection (a), the student may not participate in the school corporation's virtual education program.

(c) Nothing in this section may be construed to prohibit a student from otherwise receiving instructional services from the school corporation in which the student has legal settlement. However, a student who does not meet the requirements of subsection (b) may not participate in the school corporation's virtual education program.

(d) An individual who is employed as a licensed teacher for a virtual education program must comply with any mandatory licensed teacher training that is required under this title.

Sec. 4. If the lesser of at least:

- (1) one hundred (100) students of a school corporation; or
- (2) thirty percent (30%) of the total number of students enrolled in the school corporation;

receive at least fifty percent (50%) of instruction through a school corporation's virtual education program, the school corporation shall establish a dedicated virtual education school.

Sec. 5. A school corporation that operates a virtual education program must require that if a student who attends a school corporation's virtual education program accumulates the number of unexcused absences sufficient to result in the student's classification as a habitual truant (as described in



IC 20-20-8-8(a)(17)), the student must be withdrawn from enrollment in the school corporation's virtual education program.

Sec. 6. A school corporation that operates a virtual education program may not enroll a student unless the student is an Indiana resident. If the school corporation that operates a virtual education program is unable to verify that a student who attends the school corporation's virtual education program is an Indiana resident, the school corporation must pay back to the department the state tuition support distribution in an amount determined by the department that the school corporation received for that student.

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

SECTION 3. IC 20-24-2.2-2, AS AMENDED BY P.L.250-2017, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: **Sec. 2. (a) The minimum standard for renewal and the standard to avoid closure imposed by authorizers on a charter school is a requirement that the charter school not remain in the lowest category or designation of school improvement, including any alternative accountability category or designation, in the third year after initial placement in the lowest category or designation established under IC 20-31-8-4.**

(b) An authorizer of a charter school that does not meet the minimum standard for charter school renewal described in subsection (a) may petition the state board at any time to request permission to renew the charter school's charter notwithstanding the fact that the charter school does not meet the minimum standard. If timely notification is made, the state board shall hold a hearing **under section 2.5 of this chapter** to consider the authorizer's request at the state board's next regularly scheduled board meeting.

(c) In determining whether to grant a request under subsection (b), 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, compared with the performance of students enrolled in the charter school in the immediately preceding school year.

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

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

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

(3) Order the reduction of any administrative fee collected under IC 20-24-7-4 that is applicable to the charter school identified in subsection (b). The reduction must become effective at the beginning of the month following the month of the authorizer's hearing before the state board.

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

SECTION 4. IC 20-24-2.2-2.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: **Sec. 2.5. (a) If the state board grants a petition request under section 2.2 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 or IC 20-24-7-4.5 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, compared with the performance of students enrolled in the charter school in the immediately preceding school year.**

SECTION 5. IC 20-24-2.2-4, AS AMENDED BY P.L.250-2017, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 4. If any authorizer renews the charter of, fails to close, or grants a new charter to a charter school that the state board has ordered closed under section ~~2(4)~~ **2.5** of this chapter, the authorizer's authority to authorize new charter schools may be suspended by the state board until such a time as the state board formally approves the authorizer to authorize new charter schools. A determination under this section to suspend an authorizer's authority to authorize new charter schools must identify the deficiencies that, if corrected, will result in the approval of the authorizer to authorize new charter schools.

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

(b) Charter schools authorized by an authorizer that has been decommissioned under subsection (a) must apply to be approved by another authorizer within one hundred fifty (150) days after the date the state board revokes the authorizer's authority to function as an authorizer, regardless of whether the state board has begun the process of winding up authorization activities of the authorizer. A charter school that is not approved under this subsection must close at the end



of the charter school's current school year containing the date in which the charter school's application under this subsection is disapproved. A charter school that is closed by the state board under section ~~2~~ **2.5** of this chapter may not be approved by another authorizer under this subsection.

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

- (1) Be a written instrument.
- (2) Be executed by an authorizer and an organizer.
- (3) Confer certain rights, franchises, privileges, and obligations on a charter school.
- (4) Confirm the status of a charter school as a public school.
- (5) Subject to subdivision (6)(E) **and (17)**, be granted for:
 - (A) not less than three (3) years or more than seven (7) years; and
 - (B) a fixed number of years agreed to by the authorizer and the organizer.
- (6) Provide for the following:
 - (A) A review by the authorizer of the charter school's performance, including the progress of the charter school in achieving the academic goals set forth in the charter, at least one (1) time in each five (5) year period while the charter is in effect.
 - (B) Renewal, if the authorizer and the organizer agree to renew the charter.
 - (C) The renewal application must include guidance from the authorizer, and the guidance must include the performance criteria that will guide the authorizer's renewal decisions.
 - (D) The renewal application process must, at a minimum, provide an opportunity for the charter school to:
 - (i) present additional evidence, beyond the data contained in the performance report, supporting its case for charter renewal;
 - (ii) describe improvements undertaken or planned for the charter school; and
 - (iii) detail the charter school's plans for the next charter term.
 - (E) Not later than the end of the calendar year in which the charter school seeks renewal of a charter, the governing board of a charter school seeking renewal shall submit a renewal



application to the charter authorizer under the renewal application guidance issued by the authorizer. The authorizer shall make a final ruling on the renewal application not later than April 1 after the filing of the renewal application. A renewal granted under this clause is not subject to the three (3) year minimum described in subdivision (5). The April 1 deadline does not apply to any review or appeal of a final ruling. After the final ruling is issued, the charter school may obtain further review by the authorizer of the authorizer's final ruling in accordance with the terms of the charter school's charter and the protocols of the authorizer.

- (7) Specify the grounds for the authorizer to:
 - (A) revoke the charter before the end of the term for which the charter is granted; or
 - (B) not renew a charter.
- (8) Set forth the methods by which the charter school will be held accountable for achieving the educational mission and goals of the charter school, including the following:
 - (A) Evidence of improvement in:
 - (i) assessment measures, including the statewide assessment program measures;
 - (ii) attendance rates;
 - (iii) graduation rates (if appropriate);
 - (iv) increased numbers of Indiana diplomas with a Core 40 designation and other college and career ready indicators including advanced placement participation and passage, dual credit participation and passage, and International Baccalaureate participation and passage (if appropriate);
 - (v) increased numbers of Indiana diplomas with Core 40 with academic honors and technical honors designations (if appropriate);
 - (vi) student academic growth;
 - (vii) financial performance and stability; and
 - (viii) governing board performance and stewardship, including compliance with applicable laws, rules and regulations, and charter terms.
 - (B) Evidence of progress toward reaching the educational goals set by the organizer.
- (9) Describe the method to be used to monitor the charter school's:
 - (A) compliance with applicable law; and
 - (B) performance in meeting targeted educational performance.



- (10) Specify that the authorizer and the organizer may amend the charter during the term of the charter by mutual consent and describe the process for amending the charter.
- (11) Describe specific operating requirements, including all the matters set forth in the application for the charter.
- (12) Specify a date when the charter school will:
- (A) begin school operations; and
 - (B) have students attending the charter school.
- (13) Specify that records of a charter school relating to the school's operation and charter are subject to inspection and copying to the same extent that records of a public school are subject to inspection and copying under IC 5-14-3.
- (14) Specify that records provided by the charter school to the department or authorizer that relate to compliance by the organizer with the terms of the charter or applicable state or federal laws are subject to inspection and copying in accordance with IC 5-14-3.
- (15) Specify that the charter school is subject to the requirements of IC 5-14-1.5.
- (16) This subdivision applies to a charter established or renewed for an adult high school after June 30, 2014. The charter must require:
- (A) that the school will offer flexible scheduling;
 - (B) that students will not complete the majority of instruction of the school's curriculum online or through remote instruction;
 - (C) that the school will offer dual credit or industry certification course work that aligns with career pathways as recommended by the Indiana career council established by IC 22-4.5-9-3; and
 - (D) a plan:
 - (i) to support successful program completion and to assist transition of graduates to the workforce or to a postsecondary education upon receiving a diploma from the adult high school; and
 - (ii) to review individual student accomplishments and success after a student receives a diploma from the adult high school.
- (17) This subdivision applies to a charter between an authorizer and an organizer of a charter school granted or renewed after June 30, 2019. The charter must require that a charter school:**



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

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

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

SECTION 8. IC 20-24-5-4.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: **Sec. 4.5. (a) A virtual charter school shall establish and implement an annual onboarding process and orientation for virtual charter school students and the students' parents. As part of the annual onboarding process and orientation, the virtual charter school must provide to a parent of a student:**

(1) the student engagement and attendance requirements or policies of the virtual charter school; and

(2) notice that a person who knowingly or intentionally deprives a dependent of education commits a violation under IC 35-46-1-4.

(b) A student who is not enrolled in a virtual charter school before July 1, 2020, must complete the annual onboarding process and orientation established by the virtual charter school under subsection (a) with the student's parent before the student may enroll in the virtual charter school. If a student or student's parent does not participate in the virtual charter school's annual onboarding process and orientation established under subsection (a), the student may not enroll in the virtual charter school.

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

(d) An individual who is employed as a licensed teacher at a virtual charter school must comply with any mandatory licensed teacher training that is required under this title.

(e) A virtual charter school must require that if a student who attends a virtual charter school accumulates the number of unexcused absences sufficient to result in the student's classification as a habitual truant (as described in IC 20-20-8-8(a)(17)), the student must be withdrawn from enrollment in the virtual charter school.

(f) A virtual charter school may not enroll a student unless the



student is an Indiana resident. If the virtual charter school is unable to verify that a student who attends the virtual charter school is an Indiana resident, the virtual charter school must pay back to the department the state tuition support distribution in an amount determined by the department that the virtual charter school received for that student.

SECTION 9. IC 20-24-5-5, AS AMENDED BY P.L.215-2018(ss), SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 5. (a) Except as provided in subsections (b), (c), (d), (e), and (f) **and sections 4.5 and 4.7 of this chapter**, a charter school must enroll any eligible student who submits a timely application for enrollment.

(b) This subsection applies if the number of applications for a program, class, grade level, or building exceeds the capacity of the program, class, grade level, or building. If a charter school receives a greater number of applications than there are spaces for students, each timely applicant must be given an equal chance of admission. The organizer must determine which of the applicants will be admitted to the charter school or the program, class, grade level, or building by random drawing in a public meeting, with each timely applicant limited to one (1) entry in the drawing. However, the organizer of a charter school located in a county with a consolidated city shall determine which of the applicants will be admitted to the charter school or the program, class, grade level, or building by using a publicly verifiable random selection process.

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

- (1) ensure that a student who attends the charter school during a school year may continue to attend the charter school in subsequent years;
- (2) ensure that a student who attends a charter school during a school year may continue to attend a different charter school held by the same organizer in subsequent years;
- (3) allow the siblings of a student who attends a charter school or a charter school held by the same organizer to attend the same charter school the student is attending;
- (4) allow preschool students who attend a Level 3 or Level 4 Paths to QUALITY program preschool to attend kindergarten at a charter school if the charter school and the preschool provider have entered into an agreement to share services or facilities; and
- (5) allow each student who qualifies for free or reduced price lunch under the national school lunch program to receive



preference for admission to a charter school if the preference is specifically provided for in the charter school's charter and is approved by the authorizer.

(d) This subsection applies to an existing school that converts to a charter school under IC 20-24-11. During the school year in which the existing school converts to a charter school, the charter school may limit admission to:

- (1) those students who were enrolled in the charter school on the date of the conversion; and
- (2) siblings of students described in subdivision (1).

(e) A charter school may give enrollment preference to children of the charter school's founders, governing body members, and charter school employees, as long as the enrollment preference under this subsection is not given to more than ten percent (10%) of the charter school's total population.

(f) A charter school may not suspend or expel a charter school student or otherwise request a charter school student to transfer to another school on the basis of the following:

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

A charter school student may be expelled or suspended only in a manner consistent with discipline rules established under IC 20-24-5.5.

SECTION 10. IC 20-24-7-13, AS AMENDED BY P.L.191-2018, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 13. (a) As used in this section, "virtual charter school" means any charter school, including a conversion charter school, in which more than fifty percent (50%) of instruction is provided in an interactive learning environment created through technology in which students are separated from their teacher by time or space, or both.

(b) (a) **After June 30, 2019**, a virtual charter school may **only** apply for authorization with any statewide authorizer in accordance with the authorizer's guidelines. **After June 30, 2019, a virtual charter school that has a charter on June 30, 2019, may renew a charter only with a statewide authorizer. An authorizer described in IC 20-24-1-2.5(1) and IC 20-24-1-2.5(3) is not considered a statewide authorizer.**



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

- (1) the product of:
 - (A) the number of students included in the virtual charter school's current ADM; multiplied by
 - (B) the result of:
 - (i) ninety percent (90%) of the school's foundation amount determined under IC 20-43-3-8; divided by
 - (ii) twelve (12); plus
- (2) the total of any:
 - (A) special education grants under IC 20-43-7;
 - (B) career and technical education grants under IC 20-43-8;
 - (C) honor grants under IC 20-43-10; and
 - (D) complexity grants under IC 20-43-13;

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

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

(d) (c) The state board shall adopt rules under IC 4-22-2 to govern the operation of virtual charter schools.

(d) Each authorizer of a virtual charter school shall establish requirements or guidelines for virtual charter schools authorized by the authorizer that include the following:

- (1) Minimum requirements for the mandatory annual onboarding process and orientation required under IC 20-24-5-4.5, which shall include a requirement that a virtual charter school must provide to a parent of a student:**
 - (A) the student engagement and attendance requirements or policies of the virtual charter school; and**
 - (B) notice that a person who knowingly or intentionally deprives a dependent of education commits a violation under IC 35-46-1-4.**
- (2) Requirements relating to tracking and monitoring student participation and attendance.**
- (3) Ongoing student engagement and counseling policy requirements.**
- (4) Employee policy requirements, including professional development requirements.**

(e) (e) The department, with the approval of the state board, shall before December 1 of each year submit an annual report to the budget



committee concerning the program under this section.

~~(f)~~ **(f)** Each school year, at least sixty percent (60%) of the students who are enrolled in virtual charter schools under this section for the first time must have been included in the state's fall count of ADM conducted in the previous school year.

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

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

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

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

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

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

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

SECTION 11. IC 20-24-9-2, AS AMENDED BY P.L.192-2018, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 2. An annual report under this chapter must contain the following information:

- (1) Results of statewide assessment program measures.
- (2) Student growth and improvement data for each authorized school.



- (3) Attendance rates for each authorized school. **In the case of a virtual charter school, the virtual charter school must include the methodology used to determine attendance rate with the attendance rate.**
- (4) Graduation rates (if appropriate), including attainment of Indiana diplomas with a Core 40 designation and Indiana diplomas with Core 40 with academic honors designations for each authorized school.
- (5) Student enrollment data for each authorized school, including the following:
- (A) The number of students enrolled.
 - (B) The number of students expelled.
- (6) Status of the authorizer's charter schools, identifying each of the authorizer's charter schools that are in the following categories:
- (A) Approved but not yet open.
 - (B) Open and operating.
 - (C) Closed or having a charter that was not renewed, including:
 - (i) the year closed or not renewed; and
 - (ii) the reason for the closure or nonrenewal.
- (7) Names of the authorizer's board members or ultimate decision making body.
- (8) Evidence that the authorizer is in compliance with IC 20-24-2.2-1.5.
- (9) A report summarizing the total amount of administrative fees collected by the authorizer and how the fees were expended, if applicable.
- (10) Total amount of other fees or funds not included in the report under subdivision (9) received by the authorizer from a charter school and how the fees or funds were expended.
- (11) The most recent audits for each authorized school submitted to the authorizer under IC 5-11-1-9.
- (12) For a virtual charter school, the student engagement requirements or policies.**

SECTION 12. IC 20-24-9-5, AS AMENDED BY P.L.280-2013, SECTION 51, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 5. A charter school shall report the following to the authorizer:

- (1) Attendance records. **In the case of a virtual charter school, the virtual charter school must include the methodology used to determine attendance with the attendance record.**



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

SECTION 13. IC 20-26-13-10, AS AMENDED BY P.L.268-2013, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 10. **(a)** Except as provided in section 11 of this chapter, the four (4) year graduation rate for a cohort in a high school is the percentage determined under STEP FIVE of the following formula:

STEP ONE: Determine the grade 9 enrollment at the beginning of the reporting year three (3) years before the reporting year for which the graduation rate is being determined.

STEP TWO: Add:

- (A) the number determined under STEP ONE; and
- (B) the number of students who:
 - (i) have enrolled in the high school after the date on which the number determined under STEP ONE was determined; and
 - (ii) have the same expected graduation year as the cohort.

STEP THREE: Subtract from the sum determined under STEP TWO the number of students who have left the cohort for any of the following reasons:

- (A) Transfer to another public or nonpublic school.
- (B) Except as provided in IC 20-33-2-28.6 **and subsection (b)**, removal by the student's parents under IC 20-33-2-28 to provide instruction equivalent to that given in the public schools:
- (C) Withdrawal because of a long term medical condition or death.
- (D) Detention by a law enforcement agency or the department of correction.
- (E) Placement by a court order or the department of child services.
- (F) Enrollment in a virtual school.
- (G) Leaving school, if the student attended school in Indiana for less than one (1) school year and the location of the student cannot be determined.
- (H) Leaving school, if the location of the student cannot be determined and the student has been reported to the Indiana clearinghouse for information on missing children and missing



endangered adults.

(I) Withdrawing from school before graduation, if the student is a high ability student (as defined in IC 20-36-1-3) who is a full-time student at an accredited institution of higher education during the semester in which the cohort graduates.

STEP FOUR: Determine the total number of students determined under STEP TWO who have graduated during the current reporting year or a previous reporting year.

STEP FIVE: Divide:

(A) the number determined under STEP FOUR; by

(B) the remainder determined under STEP THREE.

(b) This subsection applies to a high school in which:

(1) for a:

(A) cohort of one hundred (100) students or less, at least ten percent (10%) of the students left a particular cohort for a reason described in subsection (a) STEP THREE clause (B); or

(B) cohort of more than one hundred (100) students, at least five percent (5%) of the students left a particular cohort for a reason described in subsection (a) STEP THREE clause (B); and

(2) the students described in subdivision (1)(A) or (1)(B) are not on track to graduate with their cohort.

A high school must submit a request to the state board in a manner prescribed by the state board requesting that the students described in this subsection be included in the subsection (a) STEP THREE calculation. The state board shall review the request and may grant or deny the request. The state board shall deny the request unless the high school demonstrates good cause to justify that the students described in this subsection should be included in the subsection (a) STEP THREE calculation. If the state board denies the request the high school may not subtract the students described in this subsection under subsection (a) STEP THREE.

SECTION 14. IC 20-26-13-10.2, AS ADDED BY P.L.229-2007, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 10.2. In the reporting year immediately following the determination of a cohort's four (4) year graduation rate under section ~~10~~ **10(a)** of this chapter, the department shall calculate a five (5) year graduation rate for the cohort using the following formula:

STEP ONE: Determine the number determined under STEP FOUR of the formula established in section ~~10~~ **10(a)** of this chapter.



STEP TWO: Add:

- (A) the number determined under STEP ONE; and
- (B) the number of students in the cohort who have graduated during the current reporting year.

STEP THREE: Divide:

- (A) the sum determined under STEP TWO; by
- (B) the remainder determined under STEP THREE of the formula established in section ~~10~~ **10(a)** of this chapter.

SECTION 15. IC 20-26-13-10.5, AS ADDED BY P.L.229-2007, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 10.5. In the reporting year immediately following the determination of a cohort's five (5) year graduation rate under section 10.2 of this chapter and each subsequent reporting year, the department shall calculate a six (6) or subsequent year graduation rate for the cohort using the following formula:

STEP ONE: Determine the number determined under STEP TWO of the formula established in section 10.2 of this chapter.

STEP TWO: Add:

- (A) the number determined under STEP ONE; and
- (B) the number of students in the cohort who have graduated during the current reporting year.

STEP THREE: Divide:

- (A) the sum determined under STEP TWO; by
- (B) the remainder determined under STEP THREE of the formula established in section ~~10~~ **10(a)** of this chapter.

SECTION 16. IC 20-26-13-11, AS AMENDED BY P.L.251-2017, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 11. (a) A student who has left school is not included in clauses (A) through (I) of STEP THREE of the formula established in section ~~10~~ **10(a)** of this chapter unless the school can provide written proof that the student has left the school for one (1) of the reasons set forth in clauses (A) through (I) of STEP THREE of section ~~10~~ **10(a)** of this chapter. If the location of the student is unknown to the school, the principal of the school shall send a certified letter to the last known address of the student, inquiring about the student's whereabouts and status. If the student is not located after the certified letter is delivered or if no response is received, the principal may submit the student's information, including last known address, parent or guardian name, student testing number, and other pertinent data to the state attendance officer. The state attendance officer, using all available state data and any other means available, shall attempt to locate the student and report the student's location and school

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enrollment status to the principal so that the principal can appropriately send student records to the new school or otherwise document the student's status.

(b) The department shall conduct a review of each school's graduation cohort on a schedule determined by the department.

(c) If a school cannot provide written proof that a student should be included in clauses (A) through (I) of STEP THREE of section ~~10~~ **10(a)** of this chapter, the student is considered a dropout.

SECTION 17. IC 20-26-13-11.3, AS ADDED BY P.L.251-2017, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 11.3. (a) A school may not classify a student as, or apply an exit code or description to a student that indicates that the student is, leaving a cohort for the reason described in section ~~10~~ **10(a)** STEP THREE clause (B) of this chapter unless the school has substantial evidence that the parent or guardian of the student initiated the student leaving the cohort.

(b) Upon request by the department, the school shall provide a copy of evidence described in subsection (a) for any student the school classifies, or to whom the school applies an exit code or description, as described in subsection (a).

SECTION 18. IC 20-26-13-13, AS AMENDED BY P.L.229-2007, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 13. For any school that cannot provide written proof supporting the school's determination to include a student under any one (1) of clauses (A) through (I) of STEP THREE of section ~~10~~ **10(a)** of this chapter, the department shall require the publication of the corrected graduation rate in the next school year's report required under IC 20-20-8-3.

SECTION 19. IC 20-30-5-20, AS AMENDED BY P.L.228-2017, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 20. (a) As used in this section, "charter school" does not include a virtual charter school, as defined in ~~IC 20-24-7-13~~ **IC 20-24-1-10**.

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

(c) Except as provided in subsection (f), each school corporation, charter school, and accredited nonpublic school shall include in the charter school's, school corporation's, or accredited nonpublic school's high school health education curriculum instruction in cardiopulmonary resuscitation and use of an automated external defibrillator for its students. The instruction must incorporate the psychomotor skills necessary to perform cardiopulmonary resuscitation



and use an automated external defibrillator and must include either of the following:

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

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

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

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

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

SECTION 20. [EFFECTIVE UPON PASSAGE] (a) The definitions in IC 20 apply throughout this SECTION.

(b) The legislative council is urged to assign to an appropriate interim study committee the task of studying and analyzing the financing and expenditures of virtual schools, including but not limited to virtual charter schools, with a focus on the allocation of revenue to:

- (1) the classroom;**
- (2) outside contractors;**
- (3) administrative salaries; and**
- (4) related party transactions.**

(c) This SECTION expires January 1, 2020.

SECTION 21. An emergency is declared for this act.



President of the Senate

President Pro Tempore

Speaker of the House of Representatives

Governor of the State of Indiana

Date: _____ Time: _____

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