



# SENATE MOTION

**MADAM PRESIDENT:**

**I move** that Engrossed House Bill 1394 be amended to read as follows:

- 1       Page 4, between lines 31 and 32, begin a new paragraph and insert:
- 2       "SECTION 4. IC 20-24-9-3.5 IS ADDED TO THE INDIANA
- 3       CODE AS A **NEW** SECTION TO READ AS FOLLOWS
- 4       [EFFECTIVE JULY 1, 2016]: **Sec. 3.5. (a) Not later than November**
- 5       **1, 2016, the department shall establish requirements or criteria to**
- 6       **prevent charter school and organizer financial and enrollment**
- 7       **fraud, waste, and abuse.**
- 8       **(b) Notwithstanding IC 5-11-1-9(b), each year, on or before a**
- 9       **date established by the department, each charter school and**
- 10       **organizer shall obtain in a manner prescribed by the department**
- 11       **an independent audit of all public and private funds received.**
- 12       **(c) An organizer is considered a public agency for purposes of**
- 13       **IC 5-14-3-2.**
- 14       **(d) Not later than July 1, 2017, and each July 1 thereafter, each**
- 15       **charter school and organizer shall submit a report to the**
- 16       **department containing the following:**
- 17               **(1) A copy of the annual audit described in subsection (b).**
- 18               **(2) The charter school's most recent enrollment count as**
- 19               **determined by the department.**
- 20               **(3) This subdivision applies to an organizer. A listing**
- 21               **containing the salary of each individual employed by the**
- 22               **organizer.**
- 23               **(4) Any other information the department determines is**
- 24               **necessary.**
- 25       **(e) The department and each charter school shall post a copy of**
- 26       **the report on their Internet web sites.**
- 27       **(f) If the department finds that a charter school or organizer has**

misrepresented facts or committed fraud, waste, or abuse, the department shall send the charter school and organizer, along with the authorizer, a summary of the department's findings. The charter school or organizer has thirty (30) days to respond to the findings. The department shall consider the response and may issue recommendations to the state board to do one (1) or more of the following:

(1) Require an authorizer to revoke a charter.

(2) Withhold distributions and funding to the organizer or charter school.

(3) Require the charter school or organizer to take actions specified by the department to remedy the issues contained in the department's findings.

(g) Upon receipt of the department's recommendations, the state board shall approve, deny, or modify the department's recommendations and issue an order with the state board's findings to the charter school or organizer and the authorizer.

SECTION 5. IC 20-24-9-4, AS AMENDED BY P.L.280-2013, SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 4. Notwithstanding the provisions of the charter, an authorizer that grants a charter:

(1) shall revoke the charter if the authorizer receives an order for revocation from the state board under section 3.5 of this chapter; and

(2) may revoke the charter at any time before the expiration of the term of the charter if, after the authorizer has notified the school and given reasonable time to correct the issue, the authorizer determines that at least one (1) of the following occurs:

(+) (A) The organizer fails to comply with the conditions or procedures established in the charter.

(-) (B) The charter school established by the organizer fails to meet the educational goals set forth in the charter.

(-) (C) The organizer fails to comply with all applicable laws.

(+) (D) The organizer fails to meet generally accepted fiscal management and government accounting principles.

- 1           ~~(5)~~ (E) One (1) or more grounds for revocation exist as
- 2           specified in the charter."
- 3       Renumber all SECTIONS consecutively.  
(Reference is to EHB 1394 as printed February 26, 2016.)

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Senator STOOPS