

HOUSE BILL No. 1176

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-17-3.1; IC 20-24-11-5; IC 20-25.7-5; IC 20-32-6.5-3; IC 20-43-13-4; IC 20-51.4.

Synopsis: Education matters. Provides that, in addition to conditions established in current law to convert an existing public elementary or secondary school, an existing public elementary or secondary school may be converted into a charter school if certain other conditions apply. Allows, if the conditions are met, the governing body of a school corporation to: (1) convert more than one existing public elementary or secondary school within the school corporation; and (2) operate two or more conversion charter schools under a single charter. Amends provisions regarding participating innovation network charter schools to allow an organizer to enter into an agreement with more than one school corporation. Amends requirements regarding the location of a participating innovation network charter school and terms of an agreement. Amends the duties of the department of education with regard to participating innovation network charter schools. Makes conforming changes, including changes to the complexity index. Requires parental notification if a school determines a student is at risk of not achieving grade level proficiency in mathematics. Provides that money in terminated education scholarship accounts and career scholarship accounts does not revert to the state general fund. Provides that money in the Indiana education scholarship account program fund, Indiana education scholarship account administration fund, and career scholarship account program fund at the end of a state fiscal year does not revert to the state general fund.

Effective: July 1, 2026.

Teshka

January 5, 2026, read first time and referred to Committee on Education.



(c) Notwithstanding any increase in the assessed value of property from the previous assessment date, for taxes first due and payable in 2024, the total amount of operating referendum tax that may be levied by a school corporation may not exceed the lesser of:

16 (1) the maximum operating referendum tax that could have been
17 levied by the school corporation if the maximum referendum rate
18 was imposed for taxes first due and payable in 2023 multiplied by
19 one and three-hundredths (1.03); or
20 (2) the maximum operating referendum tax that could otherwise
21 be levied by the school corporation for taxes first due and payable
22 in 2024.

23 The tax rate for an operating referendum tax levy shall be decreased,
24 if necessary, to comply with this limitation.

(d) Notwithstanding any increase in the assessed value of property from the previous assessment date, for taxes first due and payable in 2025, the total amount of operating referendum tax that may be levied by a school corporation may not exceed the lesser of the following:

29 (1) The maximum operating referendum tax that could have been
30 levied by the school corporation if the maximum referendum rate
31 was imposed for taxes first due and payable in the immediately
32 preceding calendar year, as adjusted by this section, multiplied by
33 the result determined under STEP SEVEN of the following
34 formula:

35 STEP ONE: Subtract:

36 (i) the school corporation's spring count of ADM made in
37 the calendar year preceding by five (5) years the calendar
38 year in which the property taxes are first due and payable;
39 from
40 (ii) the school corporation's spring count of ADM made in
41 the immediately preceding calendar year.



1 STEP THREE: Divide the STEP TWO result by the school
2 corporation's spring count of ADM made in the calendar year
3 preceding by five (5) years the calendar year in which the
4 property taxes are first due and payable.

5 STEP FOUR: Multiply the STEP THREE amount by one and
6 five-tenths (1.5).

7 STEP FIVE: Add the STEP FOUR result and one and
8 six-hundredths (1.06).

9 STEP SIX: Determine the greater of the STEP FIVE result or
10 one and six-hundredths (1.06).

11 STEP SEVEN: Determine the lesser of the STEP SIX result or
12 one and twelve-hundredths (1.12).

13 (2) The maximum operating referendum tax that could otherwise
14 be levied by the school corporation for taxes first due and payable
15 in the current calendar year.

16 The tax rate for an operating referendum tax levy shall be decreased,
17 if necessary, to comply with this limitation.

18 (e) The department of education shall provide to the department of
19 local government finance each school corporation's applicable ADM
20 counts as needed to make the determinations under this section.

21 SECTION 2. IC 20-24-11-5 IS ADDED TO THE INDIANA CODE
22 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
23 1, 2026]: **Sec. 5. (a) An existing public elementary or secondary**
24 **school may be converted into a charter school if the governing**
25 **body of the school corporation:**

26 (1) votes to convert the school within the school corporation;
27 and

28 (2) submits to an authorizer a proposal described in
29 IC 20-24-3-4 to convert the school within the school
30 corporation to a charter school.

31 (b) The governing body of the school corporation described in
32 subsection (a) may not serve as the authorizer of the charter school
33 converted in accordance with this section.

34 (c) The organizer of a conversion charter school described in
35 this section may be:

36 (1) the school corporation; or

37 (2) a nonprofit corporation that:

38 (A) is established by the school corporation;

39 (B) is incorporated or registered in Indiana;

40 (C) has been recognized by the Internal Revenue Service to
41 be tax exempt and maintains such tax exempt status; and

42 (D) has an independent board whose members have been



elected or selected under the organizer's application and that has entered into a contract under this article to operate a charter school.

(d) The governing body of a school corporation may convert more than one (1) existing public elementary or secondary school within the school corporation under this section. The school corporation or an organizer that is a nonprofit corporation established by the school corporation under subsection (c)(2) may:

- (1) submit a separate proposal for each school to an authorizer; or
- (2) with the approval of the authorizer, operate two (2) or more schools under a single charter, provided that each school site:
 - (A) is identified in the charter application and charter; and
 - (B) is subject to the performance conditions, accountability measures, and renewal determinations established in the charter.

(e) A conversion charter school described in this section shall comply with the following:

(1) All legal requirements described in section 1(d) of this chapter.

(2) Except as provided in this section, all requirements for charter schools under this article.

SECTION 3. IC 20-25.7-5-2, AS AMENDED BY P.L.213-2025, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2. (a) The A board may enter into an agreement with an organizer to:

(1) reconstitute an eligible school as a participating innovation network charter school; or to

(2) establish a participating innovation network charter school at a location:

(A) selected by the board; ~~within the boundary of the school corporation; or~~

(B) ~~within the geographic boundaries of any school corporation with which the organizer enters into an agreement under this chapter.~~

agreement under this chapter.

Notwithstanding IC 20-26-7.1, a participating innovation network charter school may be established within a vacant school building.

(b) The terms of the agreement entered into between the a board of a school corporation and an organizer must specify the following:

(1) A statement that the organizer authorizes the department to include the charter school's performance assessment results under



1 **IC 20-31-8 for students who reside within the geographic**
2 **boundaries of the school corporation** when calculating the
3 school corporation's performance assessment under rules adopted
4 by the state board.

5 (2) Subject to an administrative fee as described in subsection (g),
6 a statement that the school corporation will distribute at least one
7 hundred percent (100%) of state tuition support dollars that the
8 school corporation receives from student enrollment **for students**
9 **who:**

10 (A) **reside within the geographic boundaries of the school**
11 **corporation; and**

12 (B) **are enrolled** in the participating innovation network
13 charter school;

14 in accordance with the school funding formula to the participating
15 innovation network charter school (if the participating innovation
16 network charter school is, **with regard to students described in**
17 **this subsection**, treated in the same manner as a school operated
18 by the school corporation under subsection (d)(2)).

19 (3) The performance goals and accountability metrics agreed
20 upon for the charter school in the charter agreement between the
21 organizer and the authorizer and a statement that the school
22 corporation is prohibited from setting additional performance
23 goals or accountability metrics.

24 (4) For an agreement entered into or renewed after June 30, 2023,
25 the process the board is required to follow in determining whether
26 to renew the agreement.

27 (5) The amount of money levied as property taxes that will be
28 distributed by the school corporation to the organizer.

29 (6) Subject to section 5 of this chapter, the participating
30 innovation network charter school's enrollment and discipline
31 policies, including defined attendance areas and enrollment
32 zones.

33 (7) A statement that the innovation agreement shall not create an
34 obligation that would cause the organizer to be in violation of its
35 charter agreement (as described in IC 20-24-1-3).

36 (c) If an organizer and **the a** board enter into an agreement under
37 subsection (a), the organizer and the board shall notify the department
38 that the agreement has been made under this section within thirty (30)
39 days after the agreement is entered into.

40 (d) Upon receipt of the notification under subsection (c), for school
41 years starting after the date of the agreement:

42 (1) the department shall include the participating innovation



1 network charter school's performance assessment results under
2 **IC 20-31-8 for students who reside within the geographic**
3 **boundaries of the school corporation** when calculating the
4 school corporation's performance assessment under rules adopted
5 by the state board;

6 (2) the department shall:

7 (A) treat the participating innovation network charter school
8 in the same manner as a school operated by the school
9 corporation **with regard to students residing within the**
10 **geographic boundaries of the school corporation** when
11 calculating the total amount of state funding to be distributed
12 to the school corporation unless subsection (e) applies; and
13 (B) **in determining the school corporation's enrollment,**
14 **include only eligible pupils enrolled in the participating**
15 **innovation network charter school who reside within the**
16 **geographic boundaries of the school corporation.**

17 (3) if requested by a participating innovation network charter
18 school that reconstitutes an eligible school, the department may
19 use student growth as the state board's exclusive means to
20 determine the innovation network charter school's category or
21 designation of school improvement under 511 IAC 6.2-10-10 for
22 a period of three (3) years. Beginning with the 2019-2020 school
23 year, the department may not use student growth as the state
24 board's exclusive means to determine an innovation network
25 charter school's category or designation of school improvement.
26 This subdivision expires July 1, 2023.

27 (e) If a participating innovation network school was established
28 before January 1, 2016, and for the current school year has a
29 complexity index that is greater than the complexity index for the
30 school corporation that the innovation network school has contracted
31 with, the innovation network school shall be treated as a charter school
32 for purposes of determining tuition support. This subsection expires
33 June 30, 2027.

34 (f) If the board or organizer fails to follow the process described in
35 subsection (b)(4), the board or organizer may appeal to the state board.
36 The state board shall hear the appeal in a public meeting and ensure
37 that the board or organizer follows the renewal process specified in the
38 agreement. The board may not terminate an agreement until the board
39 has provided evidence to the state board that the board has complied
40 with the renewal process specified in the agreement. The state board
41 shall issue a decision on an appeal under this subsection not later than
42 sixty (60) days after the date the board or organizer submitted the



1 appeal to the state board.

2 (g) If an administrative fee is included in an agreement entered into
 3 or renewed **under this chapter** after June 30, 2023, 2026, under this
 4 section, **the fee may not exceed one percent (1%) of the total amount**
 5 **of state tuition support that is distributed to the school corporation**
 6 **based on the participating innovation network charter school's student**
 7 **enrollment. each school corporation with which an organizer of a**
 8 **participating innovation network charter school has entered into**
 9 **an agreement may assess an administrative fee of not more than**
 10 **one percent (1%) of the tuition support dollars that the school**
 11 **corporation receives for students who:**

- 12 (1) **reside within the geographic boundaries of the school**
 13 **corporation; and**
- 14 (2) **are enrolled in the participating innovation network**
 15 **charter school.**

16 (h) An agreement entered into between the board and an organizer
 17 under this section may not be altered without written approval from the
 18 organizer.

19 SECTION 4. IC 20-25.7-5-2.5 IS ADDED TO THE INDIANA
 20 CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2026]: Sec. 2.5. **In addition to any state**
 21 **tuition support dollars a participating innovation network charter**
 22 **school receives from a school corporation under this chapter, the**
 23 **department shall treat the participating innovation network**
 24 **charter school as a charter school when calculating the tuition**
 25 **support to be distributed to the innovation network charter school**
 26 **for students of the innovation network charter school who do not**
 27 **reside within the geographic boundaries of a school corporation**
 28 **with which the innovation network charter school has an**
 29 **agreement under this chapter.**

30 SECTION 5. IC 20-25.7-5-5, AS AMENDED BY P.L.220-2021,
 31 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 JULY 1, 2026]: Sec. 5. (a) IC 20-24-5-5 (with the exception of
 33 IC 20-24-5-5(g)) does not apply to a participating innovation network
 34 charter school that enters into an agreement with the board to
 35 reconstitute or establish an eligible school.

36 (b) Except as provided in subsections (c) and (d), a participating
 37 innovation network charter school must enroll any eligible student who
 38 submits a timely application for enrollment.

39 (c) A participating innovation network charter school that
 40 reconstitutes or establishes an eligible school may limit new
 41 admissions to the participating innovation network charter school to:



1 (1) ensure that any student with legal settlement in the attendance
2 area, or in the school corporation **any school corporation with**
3 **which the participating innovation network charter school has**
4 **entered into an agreement under this chapter** if the school does
5 not have a defined attendance area, may attend the charter school;
6 (2) ensure that a student who attends the participating innovation
7 network charter school during a school year may continue to
8 attend the charter school in subsequent years;
9 (3) allow the siblings of a student alumnus or a current student
10 who attends the participating innovation network charter school
11 to attend the charter school;
12 (4) allow preschool students who attend a Level 3 or Level 4
13 Paths to QUALITY program preschool to attend kindergarten at
14 the participating innovation network charter school if the
15 participating innovation network charter school and the school
16 corporation or preschool provider have entered into an agreement
17 to share services or facilities;
18 (5) allow each student who qualifies for free or reduced price
19 lunch under the national school lunch program to receive
20 preference for admission to the participating innovation network
21 charter school if the preference is specifically provided for in the
22 charter and is approved by the authorizer; and
23 (6) allow each student who attended a turnaround academy or
24 attends a school that is located in the same school building as the
25 participating innovation network charter school to receive
26 preference for admission to the participating innovation network
27 charter school if the preference is specifically provided for in the
28 participating innovation network charter school's charter and is
29 approved by the authorizer of the participating innovation
30 network charter school.

31 (d) A participating innovation network charter school with a
32 curriculum that includes study in a foreign country may deny admission
33 to a student if:

34 (1) the student:

35 (A) has completed fewer than twenty-two (22) academic
36 credits required for graduation; and

37 (B) will be in the grade 11 cohort during the school year in
38 which the student seeks to enroll in the participating
39 innovation network charter school; or

40 (2) the student has been suspended (as defined in IC 20-33-8-7)
41 or expelled (as defined in IC 20-33-8-3) during the twelve (12)
42 months immediately preceding the student's application for



1 enrollment for:
2 (A) ten (10) or more school days;
3 (B) a violation under IC 20-33-8-16;
4 (C) causing physical injury to a student, a school employee, or
5 a visitor to the school; or
6 (D) a violation of a school corporation's drug or alcohol rules.
7 For purposes of subdivision (2)(A), student discipline received under
8 IC 20-33-8-25(b)(7) for a violation described in subdivision (2)(B)
9 through (2)(D) must be included in the calculation of the number of
10 school days that a student has been suspended.
11 (e) A participating innovation network charter school may give
12 enrollment preferences to children of the participating innovation
13 network charter school's founders, governing board members, and
14 participating innovation network charter school employees, as long as
15 the enrollment preference under this subsection is not given to more
16 than ten percent (10%) of the participating innovation charter school's
17 total population and there is sufficient capacity for a program, class,
18 grade level, or building to ensure that any student with legal settlement
19 in the attendance area may attend the school.
20 (f) This subsection applies to an existing charter school that enters
21 into an innovation network agreement with ~~the~~ a board. During the
22 charter school's first year of operation as a participating innovation
23 network charter school, the charter school may limit admission to:
24 (1) those students who were enrolled in the charter school on the
25 date it entered into the innovation network agreement; and
26 (2) siblings of students described in subdivision (1).
27 (g) This subsection applies if the number of applications for a
28 program, class, grade level, or building exceeds the capacity of the
29 program, class, grade level, or building. If a participating innovation
30 network charter school receives a greater number of applications than
31 there are spaces for students, each timely applicant must be given an
32 equal chance of admission. The participating innovation network
33 charter school that is not in a county containing a consolidated city
34 must determine which of the applicants will be admitted to the
35 participating innovation network charter school or the program, class,
36 grade level, or building by random drawing in a public meeting with
37 each timely applicant limited to one (1) entry in the drawing. However,
38 the participating innovation network charter school located in a county
39 with a consolidated city shall determine which of the applicants will be
40 admitted to the participating innovation network charter school or the
41 program, class, grade level, or building by using a publicly verifiable
42 random selection process.



1 SECTION 6. IC 20-25.7-5-6, AS ADDED BY P.L.162-2024,
2 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2026]: Sec. 6. (a) Subject to an administrative fee as described
4 in section 2(g) of this chapter, a school corporation that enters into an
5 agreement with an organizer under this chapter shall distribute at least
6 one hundred percent (100%) of state tuition support dollars that the
7 school corporation receives from ~~student enrollment~~ **students who:**

8 (1) **reside in the geographic boundaries of the school**
9 **corporation; and**
10 (2) **are enrolled** in the participating innovation network charter
11 school;

12 in accordance with the school funding formula to the participating
13 innovation network charter school.

14 (b) Unless an agreement entered into before July 1, 2024, between
15 a board and an organizer provides otherwise, all participating
16 innovation network charter schools operating under existing
17 agreements with boards as of July 1, 2024, will receive funds as
18 required under subsection (a).

19 SECTION 7. IC 20-32-6.5-3, AS ADDED BY P.L.180-2025,
20 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
21 JULY 1, 2026]: Sec. 3. (a) Beginning with the 2026-2027 school year,
22 if a school determines that a student in kindergarten through grade 8 is
23 at risk of not achieving grade level proficiency in mathematics as
24 determined by an analysis of the student's data from:

25 (1) a grade level screener approved by the department; or
26 (2) a through-year statewide assessment;
27 the school must provide intervention that meets the requirements under
28 subsection (b).

29 (b) A school shall provide intervention to a student described in
30 subsection (a) that meets the following conditions:

31 (1) The intervention includes a multitiered system of support that
32 progresses from less to more intensive support based on the
33 student's individual needs.
34 (2) The intervention is aligned to daily Tier I instruction and
35 standard level learning progressions.
36 (3) The intervention is:
37 (A) targeted;
38 (B) differentiated; and
39 (C) supplemental to Tier I instruction.
40 (4) The intervention:
41 (A) is aligned with evidence based instructional strategies to
42 promote conceptual understanding, procedural fluency, and



1 real world problem solving; and
 2 (B) allows a student opportunities to interact, show progress,
 3 and demonstrate understanding through rigorous grade level
 4 content.

5 (5) The intervention includes continual assessment and in depth
 6 analysis of each student's data to inform the flexible movement in
 7 and out of Tiers II and III.

8 (c) **Not later than fifteen (15) days after a school makes a**
 9 **determination under subsection (a) that a student is at risk, the**
 10 **school shall provide notice to a parent of the student regarding the**
 11 **determination. The notification may contain the following:**

12 (1) **Specific information about how the student is performing.**
 13 (2) **Information about the intervention the student will receive**
 14 **from the school.**

15 (3) **A list or description of any recommended resources**
 16 **available for use at home to support the student's academic**
 17 **growth in mathematics.**

18 (f) (d) The department shall provide guidance on the multitiered
 19 system that a school is required to provide under subsection (b).

20 SECTION 8. IC 20-43-13-4, AS AMENDED BY P.L.213-2025,
 21 SECTION 197, IS AMENDED TO READ AS FOLLOWS
 22 [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) Except as provided in
 23 subsections (c) and (d), the complexity index is the percentage of the
 24 school corporation's students who were receiving Supplemental
 25 Nutrition Assistance Program (SNAP) benefits, Temporary Assistance
 26 for Needy Families (TANF) benefits, or foster care services as of
 27 October 1 in the school year ending in the later of:

28 (1) 2025; or
 29 (2) the first year of operation of the school corporation.

30 (b) For a conversion charter school, the percentage determined
 31 under this section is the percentage of the sponsor school corporation.

32 (c) Except as provided in subsection (d), the complexity index for
 33 a school corporation that has entered into an agreement with one (1) or
 34 more charter schools to participate as an innovation network charter
 35 school under IC 20-25.7-5 for a state fiscal year is equal to the result
 36 using the following formula:

37 STEP ONE: Determine:

38 (A) the school corporation's enrollment; minus
 39 (B) the enrollment **of students described in**
 40 **IC 20-25.7-5-2(b)(2)** of each participating innovation network
 41 charter school.

42 STEP TWO: Determine the number of students in the school



1 corporation who were receiving Supplemental Nutrition
2 Assistance Program (SNAP) benefits, Temporary Assistance for
3 Needy Families (TANF) benefits, or foster care services as of
4 October 1 in the school year ending in 2025, not including
5 students enrolled in each participating innovation network charter
6 school.

7 STEP THREE: Divide the result of STEP TWO by the result of
8 STEP ONE.

9 STEP FOUR: Determine the enrollment **of students described in**
10 **IC 20-25.7-5-2(b)(2)** of each participating innovation network
11 charter school.

12 STEP FIVE: Determine the number of students **described in**
13 **IC 20-25.7-5-2(b)(2)** in each participating innovation network
14 charter school who were receiving Supplemental Nutrition
15 Assistance Program (SNAP) benefits, Temporary Assistance for
16 Needy Families (TANF) benefits, or foster care services as of
17 October 1 in the school year ending in the later of:

18 (A) 2025; or

19 (B) the first year of operation of the participating innovation
20 network charter school.

21 STEP SIX: Divide the result of STEP FIVE by the result of STEP
22 FOUR.

23 STEP SEVEN: For each participating innovation network charter
24 school, determine the greater of:

25 (A) the result of STEP THREE; or

26 (B) the result of STEP SIX.

27 STEP EIGHT: For each participating innovation network charter
28 school, multiply the result of STEP SEVEN by the result of STEP
29 FOUR.

30 STEP NINE: Determine the sum of:

31 (A) the result of STEP TWO; plus

32 (B) the results of STEP EIGHT, for each participating
33 innovation network charter school.

34 STEP TEN: Determine the sum of:

35 (A) the result of STEP ONE; plus

36 (B) the results of STEP FOUR for each participating
37 innovation network charter school.

38 STEP ELEVEN: Divide the STEP NINE result by the STEP TEN
39 result.

40 (d) If the complexity index of a participating innovation network
41 charter school that was established before January 1, 2016, is, for the
42 current school year, greater than the complexity index for the school



1 corporation with which the innovation network charter school has
2 contracted, the complexity index of the participating innovation
3 network charter school is determined as described in IC 20-25.7-5-2(e).

4 SECTION 9. IC 20-51.4-4-1, AS AMENDED BY P.L.213-2025,
5 SECTION 211, IS AMENDED TO READ AS FOLLOWS
6 [EFFECTIVE JULY 1, 2026]: Sec. 1. (a) After June 30, 2022, a parent
7 of an eligible student or an emancipated eligible student may establish
8 an Indiana education scholarship account for the eligible student by
9 entering into a written agreement with the department on a form
10 prepared by the department. The department shall establish a date by
11 which an application to establish an ESA account for the upcoming
12 school year must be submitted. However, for a school year beginning
13 after July 1, 2022, applications must be submitted for an eligible
14 student not later than September 1 for the immediately following
15 school year. The ESA account of an eligible student shall be made in
16 the name of the eligible student. The department shall make the
17 agreement available on the website of the department. To be eligible,
18 a parent of an eligible student or an emancipated eligible student
19 wishing to participate in the ESA program must agree that:

20 (1) subject to subsection (i), a grant deposited in the eligible
21 student's ESA account under section 2 of this chapter and any
22 interest that may accrue in the ESA account will be used only for
23 the eligible student's ESA qualified expenses;
24 (2) if the eligible student participates in the CSA program, a grant
25 deposited in the eligible student's ESA account under
26 IC 20-51.4-4.5-3 and any interest that may accrue in the ESA
27 account will be used only for the eligible student's ESA qualified
28 expenses;
29 (3) money in the ESA account when the ESA account is
30 terminated ~~reverts~~ **does not revert** to the state general fund **and**
31 **remains available to provide grants to eligible students under**
32 **this chapter;**
33 (4) the parent of the eligible student or the emancipated eligible
34 student will use part of the money in the ESA account:
35 (A) for the eligible student's study in the subject of reading,
36 grammar, mathematics, social studies, or science; or
37 (B) for use in accordance with the eligible student's:
38 (i) individualized education program;
39 (ii) service plan developed under 511 IAC 7-34;
40 (iii) choice special education plan developed under 511
41 IAC 7-49; or
42 (iv) plan developed under Section 504 of the federal



Rehabilitation Act of 1973, 29 U.S.C. 794;

(5) the eligible student will not be enrolled in a school that receives tuition support under IC 20-43; and

(6) the eligible student will take the statewide summative assessment, as applicable based on the eligible student's grade level, as provided under IC 20-32-5.1, or the assessment specified in the eligible student's:

(A) individualized education program developed under IC 20-35;

(B) service plan developed under 511 IAC 7-34;

(C) choice special education plan developed under 511 JAC 7-49; or

(D) plan developed under Section 504 of the federal Rehabilitation Act of 1973, 29 U.S.C. 794.

36 (e) An agreement entered into under this section terminates
37 automatically for an eligible student if:

(1) the eligible student no longer resides in Indiana while the eligible student is eligible to receive grants under section 2 of this chapter; or

(2) the ESA account is not renewed within three hundred ninety-five (395) days after the date the ESA account was either



1 established or last renewed.

If an ESA account is terminated under this section, money in the eligible student's ESA account, including any interest accrued, **reverts does not revert** to the state general fund **and remains available to provide grants to eligible students under this chapter.**

(f) An agreement made under this section for an eligible student while the eligible student is in kindergarten through grade 12 may be terminated before the end of the school year if the parent of the eligible student or the emancipated eligible student notifies the department in a manner specified by the department.

11 (g) A distribution made to an ESA account under section 2 of this
12 chapter is considered tax exempt as long as the distribution is used for
13 an ESA qualified expense. The amount is subtracted from the
14 definition of adjusted federal gross income under IC 6-3-1-3.5 to the
15 extent the distribution used for the ESA qualified expense is included
16 in the taxpayer's adjusted federal gross income under the Internal
17 Revenue Code.

18 (h) The department shall establish a student test number as
19 described in JC 20-19-3-9.4 for each eligible student.

(i) A student described in IC 20-51.4-2-4(3)(B) may not use the money deposited into the eligible student's ESA account for ESA qualified expenses described in IC 20-51.4-2-9(a)(3), IC 20-51.4-2-9(a)(6), IC 20-51.4-2-9(a)(7), or IC 20-51.4-2-9(a)(9).

24 SECTION 10. IC 20-51.4-4-2, AS AMENDED BY P.L.213-2025,
25 SECTION 212, IS AMENDED TO READ AS FOLLOWS
26 [EFFECTIVE JULY 1, 2026]: Sec. 2. (a) An eligible student who
27 currently maintains an ESA account is entitled to an ESA annual grant
28 amount for each school year until the student graduates or obtains a
29 certificate of completion under the student's individualized education
30 program. An eligible student may not receive a grant under this section
31 after graduating or obtaining a certificate of completion. The ESA
32 annual grant amount shall be paid from the ESA program fund. The
33 department shall deposit the ESA annual grant amount under this
34 section, in quarterly deposits, into an eligible student's ESA account.

(b) Except as provided in subsection (c), at the end of the year in which an ESA account is established, the parent of an eligible student or the emancipated eligible student may roll over for use in a subsequent year a maximum of one thousand dollars (\$1,000). However, for each year thereafter, the parent of the eligible student or the emancipated eligible student may roll over one thousand dollars (\$1,000) plus any amount rolled over in a previous year.

42 (c) An eligible student's ESA account shall terminate the later of:



- (1) the date the student graduates high school; or
- (2) July 1 of the year in the year which the student graduates high school.

Any money, including interest that remains in the eligible student's ESA account when it terminates under this subsection ~~reverts~~ **does not revert** to the state general fund **and remains available to provide grants to eligible students under this chapter.**

SECTION 11. IC 20-51.4-4-3, AS AMENDED BY P.L.213-2025, SECTION 213, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3. (a) The Indiana education scholarship account program fund is established for the purpose of providing grants to eligible students under the ESA program. Money appropriated to the fund may be used to provide grants under this chapter in the manner prescribed in section 2 of this chapter.

(b) The department shall administer the ESA program fund.

(c) The ESA program fund consists of the following:

(1) Appropriations by the general assembly.

(2) Interest deposited in the ESA program fund under subsection (d).

(d) The treasurer of state shall invest money in the ESA program fund not currently needed to meet the obligations of the ESA program fund in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited in the ESA program fund.

(e) Money in the ESA program fund at the end of a state fiscal year ~~reverts does not revert~~ to the state general fund **and remains in the fund for the purposes of the fund.**

SECTION 12. IC 20-51.4-4-3.5, AS AMENDED BY P.L.213-2025, SECTION 214, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3.5. (a) The Indiana education scholarship account administration fund is established for the purpose of accepting money for the Indiana education scholarship account program to support administration of the ESA program.

(b) The department shall administer the fund.

(c) The fund consists of the following:

(1) Appropriations by the general assembly.

(2) Interest deposited in the fund under subsection (d).

(d) The treasurer of state shall invest money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited in the fund.

(e) Money in the fund at the end of a state fiscal year ~~reverts~~ does



1 **not revert to the state general fund and remains in the fund for the**
2 **purposes of the fund.**

3 SECTION 13. IC 20-51.4-4.5-1, AS AMENDED BY P.L.213-2025,
4 SECTION 220, IS AMENDED TO READ AS FOLLOWS
5 [EFFECTIVE JULY 1, 2026]: Sec. 1. (a) After June 30, 2023, a parent
6 of a career scholarship student or an emancipated career scholarship
7 student may establish a career scholarship account for the career
8 scholarship student by entering into a written agreement with the
9 department on a form prepared by the department. An application to
10 establish a CSA account, or an application to participate in the CSA
11 program with an ESA account, must be submitted not later than
12 October 1 for the school year. Subject to subsection (f), the CSA
13 account of a career scholarship student must be made in the name of
14 the career scholarship student. The department shall make the
15 agreement available on the website of the department.

16 (b) To be eligible to participate in the CSA program, a parent of a
17 career scholarship student or an emancipated career scholarship student
18 must agree that:

19 (1) a grant deposited in the career scholarship student's CSA
20 account under section 3 of this chapter and any interest that may
21 accrue in the CSA account will be used only for the CSA
22 qualified expenses;

23 (2) money in the CSA account when the CSA account is
24 terminated **reverts does not revert to the state general fund and**
25 **remains available to provide grants to career scholarship**
26 **students under this chapter;** and

27 (3) the parent of the career scholarship student or the emancipated
28 career scholarship student will use the money in the CSA account
29 for the career scholarship student to attend one (1) or more of the
30 sequences, courses, apprenticeships, or programs of study
31 designated and approved under section 6(a) of this chapter.

32 (c) A parent of a career scholarship student may enter into a
33 separate agreement under subsection (a) for each child of the parent.
34 However, not more than one (1) CSA account may be established for
35 each career scholarship student.

36 (d) Except as provided under subsection (f), a CSA account must be
37 established under subsection (a) by a parent of a career scholarship
38 student or an emancipated career scholarship student for a school year
39 not later than thirty (30) days after the date that the department
40 approves an application submitted under subsection (a).

41 (e) Except as provided in section 2 of this chapter, an agreement
42 made under this section is valid for one (1) school year while the career



1 scholarship student is in grades 10 through 12 and may be renewed
2 annually. Upon graduation, or receipt of:

3 (1) a certificate of completion under the career scholarship
4 student's individualized education program; or
5 (2) an Indiana high school equivalency diploma under
6 IC 22-4.1-18;

7 the career scholarship student's CSA account is terminated.

8 (f) If:

9 (1) a parent of a career scholarship student or an emancipated
10 career scholarship student enters into a written agreement with the
11 department on a form under subsection (a); and
12 (2) the career scholarship student participates in the ESA program
13 under this article;

14 the parent or emancipated career scholarship student must participate
15 in the CSA program using the student's ESA account instead of
16 establishing a CSA account. However, if the student ceases to
17 participate in the ESA program, the parent of the student or the
18 emancipated student must establish a CSA account to participate in the
19 CSA program.

20 SECTION 14. IC 20-51.4-4.5-2, AS AMENDED BY P.L.213-2025,
21 SECTION 221, IS AMENDED TO READ AS FOLLOWS
22 [EFFECTIVE JULY 1, 2026]: Sec. 2. (a) An agreement entered into
23 under section 1 of this chapter terminates automatically for a career
24 scholarship student if:

25 (1) the career scholarship student no longer resides in Indiana
26 while the career scholarship student is eligible to receive grants
27 under section 3 of this chapter; or
28 (2) the CSA account is not renewed within three hundred
29 ninety-five (395) days after the date the CSA account was either
30 established or last renewed.

31 If a CSA account is terminated under this section, money in the career
32 scholarship student's CSA account, including any interest accrued,
33 **reverts does not revert** to the state general fund **and remains**
34 **available to provide grants to career scholarship students under**
35 **this chapter.**

36 (b) An agreement made under section 1 of this chapter for a career
37 scholarship student while the career scholarship student is in grades 10
38 through 12 may be terminated before the end of the school year if the
39 parent of the career scholarship student or the emancipated career
40 scholarship student notifies the department in a manner specified by
41 the department.

42 (c) A distribution made to a CSA account or ESA account, as



1 applicable, under section 3 of this chapter is considered tax exempt as
 2 long as the distribution is used for:

3 (1) a CSA qualified expense; or
 4 (2) an ESA qualified expense if the career scholarship student is
 5 participating in the ESA program.

6 The amount is subtracted from the definition of "adjusted gross
 7 income" under IC 6-3-1-3.5 to the extent the distribution used for the
 8 CSA qualified expense or ESA qualified expense, as applicable, is
 9 included in the taxpayer's adjusted federal gross income under the
 10 Internal Revenue Code.

11 (d) If a career scholarship student does not have a student test
 12 number, the department shall establish a student test number as
 13 described in IC 20-19-3-9.4 for the career scholarship student. The
 14 department shall provide the department information necessary for the
 15 department to comply with this subsection.

16 SECTION 15. IC 20-51.4-4.5-3, AS AMENDED BY P.L.213-2025,
 17 SECTION 222, IS AMENDED TO READ AS FOLLOWS
 18 [EFFECTIVE JULY 1, 2026]: Sec. 3. (a) A career scholarship student
 19 who currently maintains a CSA account or an ESA account and
 20 participates in the CSA program is entitled to an annual grant amount
 21 for each school year until the student:

22 (1) graduates; or
 23 (2) obtains:
 24 (A) a certificate of completion under the student's
 25 individualized education program; or
 26 (B) an Indiana high school equivalency diploma under
 27 IC 22-4.1-18.

28 (b) A career scholarship student may not receive a grant under this
 29 section after graduating, receiving an Indiana high school equivalency
 30 diploma, or obtaining a certificate of completion. The CSA annual
 31 grant amount shall be paid from the CSA program fund. The
 32 department shall deposit the CSA annual grant amount under this
 33 section, in quarterly deposits, into a career scholarship student's:

34 (1) CSA account; or
 35 (2) ESA account if the student participates in the ESA program;
 36 in a manner established by the department.

37 (c) Except as provided in subsection (d), at the end of the year in
 38 which a CSA account is established, the parent of a career scholarship
 39 student or the emancipated career scholarship student may roll over for
 40 use in a subsequent year a maximum of one thousand dollars (\$1,000).
 41 However, for each year thereafter, the parent of the career scholarship
 42 student or emancipated eligible student may roll over one thousand



1 dollars (\$1,000) plus any amount rolled over in a previous year.
2 (d) A career scholarship student's CSA account shall terminate the
3 later of:
4 (1) the date the student graduates high school or obtains an
5 Indiana high school equivalency diploma; or
6 (2) July 1 of the year in which the student graduates high school
7 or obtains an Indiana high school equivalency diploma.
8 Any money, including interest that remains in the career scholarship
9 student's CSA account when it terminates under this subsection, ~~reverts~~
10 **does not revert** to the state general fund **and remains available to**
11 **provide grants to career scholarship students under this chapter.**
12 SECTION 16. IC 20-51.4-4.5-4, AS AMENDED BY P.L.213-2025,
13 SECTION 223, IS AMENDED TO READ AS FOLLOWS
14 [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) The career scholarship
15 account program fund is established for the purpose of providing grants
16 to career scholarship students under the CSA program.
17 (b) The department shall administer the CSA program fund.
18 (c) The CSA program fund consists of the following:
19 (1) Appropriations by the general assembly.
20 (2) Interest deposited in the CSA program fund under subsection
21 (d).
22 (d) The treasurer of state shall invest money in the CSA program
23 fund not currently needed to meet the obligations of the CSA program
24 fund in the same manner as other public money may be invested.
25 Interest that accrues from these investments shall be deposited in the
26 CSA program fund.
27 (e) Money in the CSA program fund at the end of a state fiscal year
28 ~~reverts~~ **does not revert** to the state general fund **and remains in the**
29 **fund for the purposes of the fund.**

