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HOUSE BILL No. 1176

Proposed Changes to introduced printing by AM117603

DIGEST OF PROPOSED AMENDMENT

Pokagon Indiana education fund. Provides that, beginning July 1, 2027, the Pokagon Indiana education fund must be used to make payment to certain Indiana public or private (instead of only public) institutions of higher learning or workforce development and training programs.

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

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

1 [SECTION 1. IC 4-29.5-18-1, AS ADDED BY P.L.171-2021,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2027]: Sec. 1. For so long as the Band makes payments in
4 accordance with IC 4-29.5-17, the Band shall allocate a portion of the
5 annual payment to provide funding for public or private postsecondary
6 and vocational education for Band citizens (the "Pokagon Indiana
7 Education Fund").

8 SECTION 2. IC 4-29.5-18-2, AS ADDED BY P.L.171-2021,
9 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
10 JULY 1, 2027]: Sec. 2. The Pokagon Indiana Education Fund shall be
11 used solely to make payments directly to Indiana public or private
12 institutions of higher learning or workforce development and training
13 programs approved by the Indiana Department of Workforce

2026

IN 1176—LS 6675/DI 110



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1 Development for eligible Band citizens for direct costs and expenses,
 2 such as tuition, on-campus room and board, and other direct education
 3 expenses. To be eligible, a Band citizen must (i) be enrolled in the
 4 Band prior to benefitting from any payment, and (ii) meet the education
 5 or workforce provider admission requirements. Priority shall be given
 6 to Band citizens who are legal residents of the State of Indiana as of the
 7 date of their application for benefits.

8 1 SECTION ~~↔[3]~~, IC 6-1.1-17-3.1, AS AMENDED BY
 9 P.L.136-2024, SECTION 20, IS AMENDED TO READ AS
 10 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3.1. (a) This section:

11 (1) applies only to an operating referendum tax levy under
 12 IC 20-46-1 approved by the voters before January 1, 2023, that
 13 is imposed by a school corporation for taxes first due and
 14 payable in 2024 and 2025;

15 (2) does not apply to an operating referendum tax levy under
 16 IC 20-46-1:

17 (A) approved by the voters during a time that the school
 18 corporation imposing the levy was designated as a
 19 distressed political subdivision; or

20 (B) approved by the voters after December 31, 2022, and
 21 before January 1, 2025, that is imposed by a school
 22 corporation for taxes first due and payable in 2024 or 2025;
 23 and

24 (3) does not apply to any other tax year.

25 (b) As used in this section, "ADM" refers to the school
 26 corporation's average daily membership used to determine the state
 27 tuition support distribution under IC 20-43. In the case of a school
 28 corporation that has entered into an agreement with one (1) or more
 29 charter schools to participate as an innovation network charter school
 30 under IC 20-25.7-5, the term includes the average daily membership of
 31 **students described in IC 20-25.7-5-2(b)(2)** of any innovation network
 32 charter school that is treated as a school operated by the school
 33 corporation **with regard to students described in**
 34 **IC 20-25.7-5-2(b)(2)** when calculating the total amount of state tuition
 35 support to be distributed to the school corporation.

36 (c) Notwithstanding any increase in the assessed value of property
 37 from the previous assessment date, for taxes first due and payable in
 38 2024, the total amount of operating referendum tax that may be levied
 39 by a school corporation may not exceed the lesser of:

40 (1) the maximum operating referendum tax that could have been
 41 levied by the school corporation if the maximum referendum rate
 42 was imposed for taxes first due and payable in 2023 multiplied



1 by one and three-hundredths (1.03); or
 2 (2) the maximum operating referendum tax that could otherwise
 3 be levied by the school corporation for taxes first due and
 4 payable in 2024.

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

7 (d) Notwithstanding any increase in the assessed value of property
 8 from the previous assessment date, for taxes first due and payable in
 9 2025, the total amount of operating referendum tax that may be levied
 10 by a school corporation may not exceed the lesser of the following:

11 (1) The maximum operating referendum tax that could have
 12 been levied by the school corporation if the maximum
 13 referendum rate was imposed for taxes first due and payable in
 14 the immediately preceding calendar year, as adjusted by this
 15 section, multiplied by the result determined under STEP SEVEN
 16 of the following formula:

17 STEP ONE: Subtract:

18 (i) the school corporation's spring count of ADM made
 19 in the calendar year preceding by five (5) years the
 20 calendar year in which the property taxes are first due
 21 and payable; from
 22 (ii) the school corporation's spring count of ADM
 23 made in the immediately preceding calendar year.

24 STEP TWO: Divide the STEP ONE result by four (4).

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

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

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

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

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

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

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

42 (e) The department of education shall provide to the department



1 of local government finance each school corporation's applicable ADM
 2 counts as needed to make the determinations under this section.

3 SECTION ~~20-24-11-5~~⁴ IS ADDED TO THE INDIANA
 4 CODE AS A NEW SECTION TO READ AS FOLLOWS
 5 [EFFECTIVE JULY 1, 2026]: Sec. 5. (a) An existing public
 6 elementary or secondary school may be converted into a charter
 7 school if the governing body of the school corporation:

8 (1) votes to convert the school within the school corporation;
 9 and

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

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

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

18 (1) the school corporation; or

19 (2) a nonprofit corporation that:

20 (A) is established by the school corporation;

21 (B) is incorporated or registered in Indiana;

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

25 (D) has an independent board whose members have
 26 been elected or selected under the organizer's
 27 application and that has entered into a contract under
 28 this article to operate a charter school.

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

34 (1) submit a separate proposal for each school to an
 35 authorizer; or

36 (2) with the approval of the authorizer, operate two (2) or
 37 more schools under a single charter, provided that each
 38 school site:

39 (A) is identified in the charter application and charter;
 40 and

41 (B) is subject to the performance conditions,
 42 accountability measures, and renewal determinations

2026

IN 1176—LS 6675/DI 110



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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 ~~4~~⁵[5]. 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.

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

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

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

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

in accordance with the school funding formula to the participating innovation network charter school (if the participating innovation network charter school is, **with regard**

2026

IN 1176—LS 6675/DI 110



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1 **to students described in this subsection**, treated in the same
2 manner as a school operated by the school corporation under
3 subsection (d)(2)).

4 (3) The performance goals and accountability metrics agreed
5 upon for the charter school in the charter agreement between the
6 organizer and the authorizer and a statement that the school
7 corporation is prohibited from setting additional performance
8 goals or accountability metrics.

9 (4) For an agreement entered into or renewed after June 30,
10 2023, the process the board is required to follow in determining
11 whether to renew the agreement.

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

14 (6) Subject to section 5 of this chapter, the participating
15 innovation network charter school's enrollment and discipline
16 policies, including defined attendance areas and enrollment
17 zones.

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

21 (c) If an organizer and the a board enter into an agreement under
22 subsection (a), the organizer and the board shall notify the department
23 that the agreement has been made under this section within thirty (30)
24 days after the agreement is entered into.

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

27 (1) the department shall include the participating innovation
28 network charter school's performance assessment results under
29 **IC 20-31-8 for students who reside within the geographic**
30 **boundaries of the school corporation** when calculating the
31 school corporation's performance assessment under rules
32 adopted by the state board;

33 (2) the department shall;

(A) treat the participating innovation network charter school in the same manner as a school operated by the school corporation **with regard to students residing within the geographic boundaries of the school corporation** when calculating the total amount of state funding to be distributed to the school corporation unless subsection (e) applies; and

(B) in determining the school corporation's enrollment, include only eligible pupils enrolled in the participating

2026

JN 1176—LS 6675/DJ 110



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20 (f) If the board or organizer fails to follow the process described
21 in subsection (b)(4), the board or organizer may appeal to the state
22 board. The state board shall hear the appeal in a public meeting and
23 ensure that the board or organizer follows the renewal process specified
24 in the agreement. The board may not terminate an agreement until the
25 board has provided evidence to the state board that the board has
26 complied with the renewal process specified in the agreement. The
27 state board shall issue a decision on an appeal under this subsection not
28 later than sixty (60) days after the date the board or organizer submitted
29 the appeal to the state board.

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

40 **(1) reside within the geographic boundaries of the school**
41 **corporation; and**
42 **(2) are enrolled in the participating innovation network**↔

2026

IN 1176—LS 6675/DI 110



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1 **charter school.**2 (h) An agreement entered into between the board and an organizer
3 under this section may not be altered without written approval from the
4 organizer.5 SECTION ~~↔~~[6]. IC 20-25.7-5-2.5 IS ADDED TO THE
6 INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS**
7 [EFFECTIVE JULY 1, 2026]: **Sec. 2.5. In addition to any state**
8 **tuition support dollars a participating innovation network charter**
9 **school receives from a school corporation under this chapter, the**
10 **department shall treat the participating innovation network**
11 **charter school as a charter school when calculating the tuition**
12 **support to be distributed to the innovation network charter school**
13 **for students of the innovation network charter school who do not**
14 **reside within the geographic boundaries of a school corporation**
15 **with which the innovation network charter school has an**
16 **agreement under this chapter.**17 SECTION ~~↔~~[7]. IC 20-25.7-5-5, AS AMENDED BY
18 P.L.220-2021, SECTION 9, IS AMENDED TO READ AS FOLLOWS
19 [EFFECTIVE JULY 1, 2026]: Sec. 5. (a) IC 20-24-5-5 (with the
20 exception of IC 20-24-5-5(g)) does not apply to a participating
21 innovation network charter school that enters into an agreement with
22 the board to reconstitute or establish an eligible school.23 (b) Except as provided in subsections (c) and (d), a participating
24 innovation network charter school must enroll any eligible student who
25 submits a timely application for enrollment.26 (c) A participating innovation network charter school that
27 reconstitutes or establishes an eligible school may limit new
28 admissions to the participating innovation network charter school to:29 (1) ensure that any student with legal settlement in the
30 attendance area, or in ~~the school corporation~~ **any school**
31 **corporation with which the participating innovation network**
32 **charter school has entered into an agreement under this**
33 **chapter** if the school does not have a defined attendance area,
34 may attend the charter school;35 (2) ensure that a student who attends the participating innovation
36 network charter school during a school year may continue to
37 attend the charter school in subsequent years;38 (3) allow the siblings of a student alumnus or a current student
39 who attends the participating innovation network charter school
40 to attend the charter school;41 (4) allow preschool students who attend a Level 3 or Level 4
42 Paths to QUALITY program preschool to attend kindergarten at

1 the participating innovation network charter school if the
 2 participating innovation network charter school and the school
 3 corporation or preschool provider have entered into an
 4 agreement to share services or facilities;

5 (5) allow each student who qualifies for free or reduced price
 6 lunch under the national school lunch program to receive
 7 preference for admission to the participating innovation network
 8 charter school if the preference is specifically provided for in the
 9 charter and is approved by the authorizer; and

10 (6) allow each student who attended a turnaround academy or
 11 attends a school that is located in the same school building as the
 12 participating innovation network charter school to receive
 13 preference for admission to the participating innovation network
 14 charter school if the preference is specifically provided for in the
 15 participating innovation network charter school's charter and is
 16 approved by the authorizer of the participating innovation
 17 network charter school.

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

21 (1) the student:

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

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

27 (2) the student has been suspended (as defined in IC 20-33-8-7)
 28 or expelled (as defined in IC 20-33-8-3) during the twelve (12)
 29 months immediately preceding the student's application for
 30 enrollment for:

31 (A) ten (10) or more school days;

32 (B) a violation under IC 20-33-8-16;

33 (C) causing physical injury to a student, a school employee,
 34 or a visitor to the school; or

35 (D) a violation of a school corporation's drug or alcohol
 36 rules.

37 For purposes of subdivision (2)(A), student discipline received under
 38 IC 20-33-8-25(b)(7) for a violation described in subdivision (2)(B)
 39 through (2)(D) must be included in the calculation of the number of
 40 school days that a student has been suspended.

41 (e) A participating innovation network charter school may give
 42 enrollment preferences to children of the participating innovation



1 network charter school's founders, governing board members, and
 2 participating innovation network charter school employees, as long as
 3 the enrollment preference under this subsection is not given to more
 4 than ten percent (10%) of the participating innovation charter school's
 5 total population and there is sufficient capacity for a program, class,
 6 grade level, or building to ensure that any student with legal settlement
 7 in the attendance area may attend the school.

8 (f) This subsection applies to an existing charter school that enters
 9 into an innovation network agreement with the a board. During the
 10 charter school's first year of operation as a participating innovation
 11 network charter school, the charter school may limit admission to:

- 12 (1) those students who were enrolled in the charter school on the
 13 date it entered into the innovation network agreement; and
 14 (2) siblings of students described in subdivision (1).

15 (g) This subsection applies if the number of applications for a
 16 program, class, grade level, or building exceeds the capacity of the
 17 program, class, grade level, or building. If a participating innovation
 18 network charter school receives a greater number of applications than
 19 there are spaces for students, each timely applicant must be given an
 20 equal chance of admission. The participating innovation network
 21 charter school that is not in a county containing a consolidated city
 22 must determine which of the applicants will be admitted to the
 23 participating innovation network charter school or the program, class,
 24 grade level, or building by random drawing in a public meeting with
 25 each timely applicant limited to one (1) entry in the drawing. However,
 26 the participating innovation network charter school located in a county
 27 with a consolidated city shall determine which of the applicants will be
 28 admitted to the participating innovation network charter school or the
 29 program, class, grade level, or building by using a publicly verifiable
 30 random selection process.

31 SECTION ~~↔~~[8], IC 20-25.7-5-6, AS ADDED BY P.L.162-2024,
 32 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JULY 1, 2026]: Sec. 6. (a) Subject to an administrative fee as described
 34 in section 2(g) of this chapter, a school corporation that enters into an
 35 agreement with an organizer under this chapter shall distribute at least
 36 one hundred percent (100%) of state tuition support dollars that the
 37 school corporation receives from student enrollment students who:

- 38 (1) **reside in the geographic boundaries of the school**
 39 **corporation; and**
- 40 (2) **are enrolled** in the participating innovation network charter
 41 school;

42 in accordance with the school funding formula to the participating



1 innovation network charter school.

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

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

13 (1) a grade level screener approved by the department; or
 14 (2) a through-year statewide assessment;

15 the school must provide intervention that meets the requirements under
 16 subsection (b).

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

19 (1) The intervention includes a multitiered system of support that
 20 progresses from less to more intensive support based on the
 21 student's individual needs.

22 (2) The intervention is aligned to daily Tier I instruction and
 23 standard level learning progressions.

24 (3) The intervention is:

25 (A) targeted;
 26 (B) differentiated; and
 27 (C) supplemental to Tier I instruction.

28 (4) The intervention:

29 (A) is aligned with evidence based instructional strategies
 30 to promote conceptual understanding, procedural fluency,
 31 and real world problem solving; and

32 (B) allows a student opportunities to interact, show
 33 progress, and demonstrate understanding through rigorous
 34 grade level content.

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

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

42 (1) **Specific information about how the student is performing.**



(2) Information about the intervention the student will receive from the school.

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

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

SECTION ~~8~~[10]. IC 20-43-13-4, AS AMENDED BY P.L.213-2025, SECTION 197, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) Except as provided in subsections (c) and (d), the complexity index is the percentage of the school corporation's students who were receiving Supplemental Nutrition Assistance Program (SNAP) benefits, Temporary Assistance for Needy Families (TANF) benefits, or foster care services as of October 1 in the school year ending in the later of:

(1) 2025; or

(2) the first year of operation of the school corporation.

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

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

STEP ONE: Determine:

(A) the school corporation's enrollment; minus

(B) the enrollment of students described in IC 20-25.7-5-2(b)(2) of each participating innovation network charter school.

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

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

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

STEP FIVE: Determine the number of students described in



1 **IC 20-25.7-5-2(b)(2)** in each participating innovation network
 2 charter school who were receiving Supplemental Nutrition
 3 Assistance Program (SNAP) benefits, Temporary Assistance for
 4 Needy Families (TANF) benefits, or foster care services as of
 5 October 1 in the school year ending in the later of:

6 (A) 2025; or

7 (B) the first year of operation of the participating innovation
 8 network charter school.

9 STEP SIX: Divide the result of STEP FIVE by the result of
 10 STEP FOUR.

11 STEP SEVEN: For each participating innovation network charter
 12 school, determine the greater of:

13 (A) the result of STEP THREE; or

14 (B) the result of STEP SIX.

15 STEP EIGHT: For each participating innovation network charter
 16 school, multiply the result of STEP SEVEN by the result of
 17 STEP FOUR.

18 STEP NINE: Determine the sum of:

19 (A) the result of STEP TWO; plus

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

22 STEP TEN: Determine the sum of:

23 (A) the result of STEP ONE; plus

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

26 STEP ELEVEN: Divide the STEP NINE result by the STEP
 27 TEN result.

28 (d) If the complexity index of a participating innovation network
 29 charter school that was established before January 1, 2016, is, for the
 30 current school year, greater than the complexity index for the school
 31 corporation with which the innovation network charter school has
 32 contracted, the complexity index of the participating innovation
 33 network charter school is determined as described in IC 20-25.7-5-2(e).

34 SECTION ~~↔~~[11]. IC 20-51.4-4-1, AS AMENDED BY
 35 P.L.213-2025, SECTION 211, IS AMENDED TO READ AS
 36 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1. (a) After June 30,
 37 2022, a parent of an eligible student or an emancipated eligible student
 38 may establish an Indiana education scholarship account for the eligible
 39 student by entering into a written agreement with the department on a
 40 form prepared by the department. The department shall establish a date
 41 by which an application to establish an ESA account for the upcoming
 42 school year must be submitted. However, for a school year beginning



1 after July 1, 2022, applications must be submitted for an eligible
2 student not later than September 1 for the immediately following
3 school year. The ESA account of an eligible student shall be made in
4 the name of the eligible student. The department shall make the
5 agreement available on the website of the department. To be eligible,
6 a parent of an eligible student or an emancipated eligible student
7 wishing to participate in the ESA program must agree that:

(1) subject to subsection (i), a grant deposited in the eligible student's ESA account under section 2 of this chapter and any interest that may accrue in the ESA account will be used only for the eligible student's ESA qualified expenses;

12 (2) if the eligible student participates in the CSA program, a
13 grant deposited in the eligible student's ESA account under
14 IC 20-51.4-4.5-3 and any interest that may accrue in the ESA
15 account will be used only for the eligible student's ESA qualified
16 expenses;

17 (3) money in the ESA account when the ESA account is
18 terminated ~~reverts~~ **does not revert** to the state general fund **and**
19 **remains available to provide grants to eligible students under**
20 **this chapter;**

21 (4) the parent of the eligible student or the emancipated eligible
22 student will use part of the money in the ESA account:

23 (A) for the eligible student's study in the subject of reading,
24 grammar, mathematics, social studies, or science; or
25 (B) for use in accordance with the eligible student's:

(E) for use in accordance with the eligible students:

- (i) individualized education program;
- (ii) service plan developed under 511 IAC 7-34;
- (iii) choice special education plan developed under 511 IAC 7-49; or

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

32 (5) the eligible student will not be enrolled in a school that
33 receives tuition support under IC 20-43; and
34 (6) the eligible student will take the statewide summative
35 assessment, as applicable based on the eligible student's grade
36 level, as provided under IC 20-32-5.1, or the assessment
37 specified in the eligible student's;

38 (A) individualized education program developed under
39 IC 20-35;
40 (B) service plan developed under 511 IAC 7-34;
41 (C) choice special education plan developed under 511
42 IAC 7-49; or



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

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

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

29 (2) the ESA account is not renewed within three hundred
30 ninety-five (395) days after the date the ESA account was either
31 established or last renewed.

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

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

41 (g) A distribution made to an ESA account under section 2 of this
42 chapter is considered tax exempt as long as the distribution is used for

2026

IN 1176—LS 6675/DI 110



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1 an ESA qualified expense. The amount is subtracted from the
 2 definition of adjusted federal gross income under IC 6-3-1-3.5 to the
 3 extent the distribution used for the ESA qualified expense is included
 4 in the taxpayer's adjusted federal gross income under the Internal
 5 Revenue Code.

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

8 (i) A student described in IC 20-51.4-2-4(3)(B) may not use the
 9 money deposited into the eligible student's ESA account for ESA
 10 qualified expenses described in IC 20-51.4-2-9(a)(3),
 11 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).

12 SECTION 1~~↔~~[2]. IC 20-51.4-4-2, AS AMENDED BY
 13 P.L.213-2025, SECTION 212, IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2. (a) An eligible
 15 student who currently maintains an ESA account is entitled to an ESA
 16 annual grant amount for each school year until the student graduates or
 17 obtains a certificate of completion under the student's individualized
 18 education program. An eligible student may not receive a grant under
 19 this section after graduating or obtaining a certificate of completion.
 20 The ESA annual grant amount shall be paid from the ESA program
 21 fund. The department shall deposit the ESA annual grant amount under
 22 this section, in quarterly deposits, into an eligible student's ESA
 23 account.

24 (b) Except as provided in subsection (c), at the end of the year in
 25 which an ESA account is established, the parent of an eligible student
 26 or the emancipated eligible student may roll over for use in a
 27 subsequent year a maximum of one thousand dollars (\$1,000).
 28 However, for each year thereafter, the parent of the eligible student or
 29 the emancipated eligible student may roll over one thousand dollars
 30 (\$1,000) plus any amount rolled over in a previous year.

31 (c) An eligible student's ESA account shall terminate the later of:
 32 (1) the date the student graduates high school; or
 33 (2) July 1 of the year in the year which the student graduates
 34 high school.

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

39 SECTION 1~~↔~~[3]. IC 20-51.4-4-3, AS AMENDED BY
 40 P.L.213-2025, SECTION 213, IS AMENDED TO READ AS
 41 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3. (a) The Indiana
 42 education scholarship account program fund is established for the



1 purpose of providing grants to eligible students under the ESA
 2 program. Money appropriated to the fund may be used to provide
 3 grants under this chapter in the manner prescribed in section 2 of this
 4 chapter.

5 (b) The department shall administer the ESA program fund.
 6 (c) The ESA program fund consists of the following:
 7 (1) Appropriations by the general assembly.
 8 (2) Interest deposited in the ESA program fund under subsection
 9 (d).
 10 (d) The treasurer of state shall invest money in the ESA program
 11 fund not currently needed to meet the obligations of the ESA program
 12 fund in the same manner as other public money may be invested.
 13 Interest that accrues from these investments shall be deposited in the
 14 ESA program fund.

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

18 SECTION 1~~4~~⁵. IC 20-51.4-4-3.5, AS AMENDED BY
 19 P.L.213-2025, SECTION 214, IS AMENDED TO READ AS
 20 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3.5. (a) The Indiana
 21 education scholarship account administration fund is established for the
 22 purpose of accepting money for the Indiana education scholarship
 23 account program to support administration of the ESA program.

24 (b) The department shall administer the fund.
 25 (c) The fund consists of the following:
 26 (1) Appropriations by the general assembly.
 27 (2) Interest deposited in the fund under subsection (d).

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

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

35 SECTION 1~~5~~⁴. IC 20-51.4-4.5-1, AS AMENDED BY
 36 P.L.213-2025, SECTION 220, IS AMENDED TO READ AS
 37 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1. (a) After June 30,
 38 2023, a parent of a career scholarship student or an emancipated career
 39 scholarship student may establish a career scholarship account for the
 40 career scholarship student by entering into a written agreement with the
 41 department on a form prepared by the department. An application to
 42 establish a CSA account, or an application to participate in the CSA



1 program with an ESA account, must be submitted not later than
 2 October 1 for the school year. Subject to subsection (f), the CSA
 3 account of a career scholarship student must be made in the name of
 4 the career scholarship student. The department shall make the
 5 agreement available on the website of the department.

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

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

13 (2) money in the CSA account when the CSA account is
 14 terminated ~~reverts does not revert~~ to the state general fund **and**
 15 **remains available to provide grants to career scholarship**
 16 **students under this chapter;** and

17 (3) the parent of the career scholarship student or the
 18 emancipated career scholarship student will use the money in the
 19 CSA account for the career scholarship student to attend one (1)
 20 or more of the sequences, courses, apprenticeships, or programs
 21 of study designated and approved under section 6(a) of this
 22 chapter.

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

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

32 (e) Except as provided in section 2 of this chapter, an agreement
 33 made under this section is valid for one (1) school year while the career
 34 scholarship student is in grades 10 through 12 and may be renewed
 35 annually. Upon graduation, or receipt of:

36 (1) a certificate of completion under the career scholarship
 37 student's individualized education program; or
 38 (2) an Indiana high school equivalency diploma under
 39 IC 22-4.1-18;

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

41 (f) If:

42 (1) a parent of a career scholarship student or an emancipated



1 career scholarship student enters into a written agreement with
 2 the department on a form under subsection (a); and
 3 (2) the career scholarship student participates in the ESA
 4 program under this article;
 5 the parent or emancipated career scholarship student must participate
 6 in the CSA program using the student's ESA account instead of
 7 establishing a CSA account. However, if the student ceases to
 8 participate in the ESA program, the parent of the student or the
 9 emancipated student must establish a CSA account to participate in the
 10 CSA program.

11 SECTION 1~~4~~⁶, IC 20-51.4-4.5-2, AS AMENDED BY
 12 P.L.213-2025, SECTION 221, IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2. (a) An agreement
 14 entered into under section 1 of this chapter terminates automatically for
 15 a career scholarship student if:

- 16 (1) the career scholarship student no longer resides in Indiana
 17 while the career scholarship student is eligible to receive grants
 18 under section 3 of this chapter; or
 19 (2) the CSA account is not renewed within three hundred
 20 ninety-five (395) days after the date the CSA account was either
 21 established or last renewed.

22 If a CSA account is terminated under this section, money in the career
 23 scholarship student's CSA account, including any interest accrued,~~reverts~~¹ to the state general fund and remains
 24 available to provide grants to career scholarship students under
 25 this chapter.

26 (b) An agreement made under section 1 of this chapter for a career
 27 scholarship student while the career scholarship student is in grades 10
 28 through 12 may be terminated before the end of the school year if the
 29 parent of the career scholarship student or the emancipated career
 30 scholarship student notifies the department in a manner specified by
 31 the department.

32 (c) A distribution made to a CSA account or ESA account, as
 33 applicable, under section 3 of this chapter is considered tax exempt as
 34 long as the distribution is used for:

- 35 (1) a CSA qualified expense; or
 36 (2) an ESA qualified expense if the career scholarship student is
 37 participating in the ESA program.

38 The amount is subtracted from the definition of "adjusted gross
 39 income" under IC 6-3-1-3.5 to the extent the distribution used for the
 40 CSA qualified expense or ESA qualified expense, as applicable, is
 41 included in the taxpayer's adjusted federal gross income under the
 42



1 Internal Revenue Code.

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

7 SECTION 1~~5~~⁷ IC 20-51.4-4.5-3, AS AMENDED BY
 8 P.L.213-2025, SECTION 222, IS AMENDED TO READ AS
 9 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3. (a) A career
 10 scholarship student who currently maintains a CSA account or an ESA
 11 account and participates in the CSA program is entitled to an annual
 12 grant amount for each school year until the student:

13 (1) graduates; or

14 (2) obtains:

15 (A) a certificate of completion under the student's
 16 individualized education program; or

17 (B) an Indiana high school equivalency diploma under
 18 IC 22-4.1-18.

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

25 (1) CSA account; or

26 (2) ESA account if the student participates in the ESA program;
 27 in a manner established by the department.

28 (c) Except as provided in subsection (d), at the end of the year in
 29 which a CSA account is established, the parent of a career scholarship
 30 student or the emancipated career scholarship student may roll over for
 31 use in a subsequent year a maximum of one thousand dollars (\$1,000).
 32 However, for each year thereafter, the parent of the career scholarship
 33 student or emancipated eligible student may roll over one thousand
 34 dollars (\$1,000) plus any amount rolled over in a previous year.

35 (d) A career scholarship student's CSA account shall terminate the
 36 later of:

37 (1) the date the student graduates high school or obtains an
 38 Indiana high school equivalency diploma; or

39 (2) July 1 of the year in which the student graduates high school
 40 or obtains an Indiana high school equivalency diploma.

41 Any money, including interest that remains in the career scholarship
 42 student's CSA account when it terminates under this subsection, reverts



1 **does not revert to the state general fund and remains available to**
2 **provide grants to career scholarship students under this chapter.**

3 SECTION 1~~6~~[8]. IC 20-51.4-4.5-4, AS AMENDED BY
4 P.L.213-2025, SECTION 223, IS AMENDED TO READ AS
5 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) The career
6 scholarship account program fund is established for the purpose of
7 providing grants to career scholarship students under the CSA program.

8 (b) The department shall administer the CSA program fund.
9 (c) The CSA program fund consists of the following:
10 (1) Appropriations by the general assembly.
11 (2) Interest deposited in the CSA program fund under subsection
12 (d).
13 (d) The treasurer of state shall invest money in the CSA program
14 fund not currently needed to meet the obligations of the CSA program
15 fund in the same manner as other public money may be invested.
16 Interest that accrues from these investments shall be deposited in the
17 CSA program fund.
18 (e) Money in the CSA program fund at the end of a state fiscal
19 year~~reverts~~ does not revert to the state general fund **and**
20 **remains in the fund for the purposes of the fund.**[1]



2026

IN 1176—LS 6675/DI 110

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