

PRINTING CODE. Deletions appear in ~~this style type~~. Insertions appear in this style type. Typeface changes are shown in **this** *this* this style **type** or in **this** *this* this style **type**.

HOUSE BILL No. 1176

Proposed Changes to introduced printing by AM117605

DIGEST OF PROPOSED AMENDMENT

Participating innovation network charter schools. Prohibits the governing body of a school corporation from being the authorizer of a charter school and entering into or having a participating innovation network charter school agreement with the charter school at the same time.

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 6-1.1-17-3.1, AS AMENDED BY P.L.136-2024,
2 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2026]: Sec. 3.1. (a) This section:
4 (1) applies only to an operating referendum tax levy under
5 IC 20-46-1 approved by the voters before January 1, 2023, that
6 is imposed by a school corporation for taxes first due and
7 payable in 2024 and 2025;
8 (2) does not apply to an operating referendum tax levy under
9 IC 20-46-1:
10 (A) approved by the voters during a time that the school
11 corporation imposing the levy was designated as a
12 distressed political subdivision; or
13 (B) approved by the voters after December 31, 2022, and
14 before January 1, 2025, that is imposed by a school
15 corporation for taxes first due and payable in 2024 or 2025;
16 and
17 (3) does not apply to any other tax year.
18 (b) As used in this section, "ADM" refers to the school
19 corporation's average daily membership used to determine the state

2026

IN 1176—LS 6675/DI 110



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

1 tuition support distribution under IC 20-43. In the case of a school
2 corporation that has entered into an agreement with one (1) or more
3 charter schools to participate as an innovation network charter school
4 under IC 20-25.7-5, the term includes the average daily membership of
5 **students described in IC 20-25.7-5-2(b)(2)** of any innovation network
6 charter school that is treated as a school operated by the school
7 corporation **with regard to students described in**
8 **IC 20-25.7-5-2(b)(2)** when calculating the total amount of state tuition
9 support to be distributed to the school corporation.

(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:

14 (1) the maximum operating referendum tax that could have been
15 levied by the school corporation if the maximum referendum rate
16 was imposed for taxes first due and payable in 2023 multiplied
17 by one and three-hundredths (1.03); or

21 The tax rate for an operating referendum tax levy shall be decreased,
22 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:

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

33 STEP ONE: Subtract:

34 (i) the school corporation's spring count of ADM made
35 in the calendar year preceding by five (5) years the
36 calendar year in which the property taxes are first due
37

37 and payable; from
38 (ii) the school corporation's spring count of ADM
39 made in the immediately preceding calendar year.

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

41 STEP THREE: Divide the STEP TWO result by the school
42 corporation's spring count of ADM made in the calendar

2026

IN 1176—LS 6675/DI 110



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

1 year preceding by five (5) years the calendar year in which
 2 the property taxes are first due and payable.

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

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

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

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

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

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

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

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

24 (1) votes to convert the school within the school corporation;
 25 and

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

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

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

34 (1) the school corporation; or

35 (2) a nonprofit corporation that:

36 (A) is established by the school corporation;

37 (B) is incorporated or registered in Indiana;

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

41 (D) has an independent board whose members have
 42 been elected or selected under the organizer's



1 application and that has entered into a contract under
 2 this article to operate a charter school.

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

8 (1) submit a separate proposal for each school to an
 9 authorizer; or

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

13 (A) is identified in the charter application and charter;
 14 and

15 (B) is subject to the performance conditions,
 16 accountability measures, and renewal determinations
 17 established in the charter.

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

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

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

24 [SECTION 3. IC 20-25.7-5-1.5 IS ADDED TO THE INDIANA
 25 CODE AS A NEW SECTION TO READ AS FOLLOWS
 26 [EFFECTIVE JULY 1, 2026]: Sec. 1.5. A board may not at the same
 27 time both:

28 (1) be an authorizer of a charter school; and

29 (2) enter into or have an agreement under this chapter with
 30 the charter school.

31 [SECTION ~~2~~[4]. IC 20-25.7-5-2, AS AMENDED BY
 32 P.L.213-2025, SECTION 169, IS AMENDED TO READ AS
 33 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2. (a) The A board may
 34 enter into an agreement with an organizer to:

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

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

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

41 (B) within the geographic boundaries of any school
 42 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 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 to students described in this subsection**, treated in the same manner as a school operated by the school corporation under subsection (d)(2)).

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

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

(5) The amount of money levied as property taxes that

distributed by the school corporation to the organizer.

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

(7) A statement that the innovation agreement shall not create an obligation that would cause the organizer to be in violation of its

2026

IN 1176—LS 6675/DI 110



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

1 charter agreement (as described in IC 20-24-1-3).

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

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

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

14 (2) the department shall:

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

22 (B) **in determining the school corporation's enrollment,**
 23 **include only eligible pupils enrolled in the participating**
 24 **innovation network charter school who reside within the**
 25 **geographic boundaries of the school corporation.**

26 (3) if requested by a participating innovation network charter
 27 school that reconstitutes an eligible school, the department may
 28 use student growth as the state board's exclusive means to
 29 determine the innovation network charter school's category or
 30 designation of school improvement under 511 IAC 6.2-10-10 for
 31 a period of three (3) years. Beginning with the 2019-2020 school
 32 year, the department may not use student growth as the state
 33 board's exclusive means to determine an innovation network
 34 charter school's category or designation of school improvement.
 35 This subdivision expires July 1, 2023.

36 (e) If a participating innovation network school was established
 37 before January 1, 2016, and for the current school year has a
 38 complexity index that is greater than the complexity index for the
 39 school corporation that the innovation network school has contracted
 40 with, the innovation network school shall be treated as a charter school
 41 for purposes of determining tuition support. This subsection expires
 42 June 30, 2027.



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

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

28 SECTION ~~44~~5. IC 20-25.7-5-2.5 IS ADDED TO THE
29 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS
30 [EFFECTIVE JULY 1, 2026]: Sec. 2.5. In addition to any state
31 tuition support dollars a participating innovation network charter
32 school receives from a school corporation under this chapter, the
33 department shall treat the participating innovation network
34 charter school as a charter school when calculating the tuition
35 support to be distributed to the innovation network charter school
36 for students of the innovation network charter school who do not
37 reside within the geographic boundaries of a school corporation
38 with which the innovation network charter school has an
39 agreement under this chapter.

40 SECTION ~~25~~⁶[6]. IC 20-25.7-5-5, AS AMENDED BY
41 P.L.220-2021, SECTION 9, IS AMENDED TO READ AS FOLLOWS
42 [EFFECTIVE JULY 1, 2026]: Sec. 5. (a) IC 20-24-5-5 (with the



1 exception of IC 20-24-5-5(g)) does not apply to a participating
 2 innovation network charter school that enters into an agreement with
 3 the board to reconstitute or establish an eligible school.

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

7 (c) A participating innovation network charter school that
 8 reconstitutes or establishes an eligible school may limit new
 9 admissions to the participating innovation network charter school to:

10 (1) ensure that any student with legal settlement in the
 11 attendance area, or in the school corporation **any school**
 12 **corporation with which the participating innovation network**
 13 **charter school has entered into an agreement under this**
 14 **chapter** if the school does not have a defined attendance area,
 15 may attend the charter school;

16 (2) ensure that a student who attends the participating innovation
 17 network charter school during a school year may continue to
 18 attend the charter school in subsequent years;

19 (3) allow the siblings of a student alumnus or a current student
 20 who attends the participating innovation network charter school
 21 to attend the charter school;

22 (4) allow preschool students who attend a Level 3 or Level 4
 23 Paths to QUALITY program preschool to attend kindergarten at
 24 the participating innovation network charter school if the
 25 participating innovation network charter school and the school
 26 corporation or preschool provider have entered into an
 27 agreement to share services or facilities;

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

33 (6) allow each student who attended a turnaround academy or
 34 attends a school that is located in the same school building as the
 35 participating innovation network charter school to receive
 36 preference for admission to the participating innovation network
 37 charter school if the preference is specifically provided for in the
 38 participating innovation network charter school's charter and is
 39 approved by the authorizer of the participating innovation
 40 network charter school.

41 (d) A participating innovation network charter school with a
 42 curriculum that includes study in a foreign country may deny admission



1 to a student if:

2 (1) the student:

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

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

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

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

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

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

16 (D) a violation of a school corporation's drug or alcohol
17 rules.

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

22 (e) A participating innovation network charter school may give
23 enrollment preferences to children of the participating innovation
24 network charter school's founders, governing board members, and
25 participating innovation network charter school employees, as long as
26 the enrollment preference under this subsection is not given to more
27 than ten percent (10%) of the participating innovation charter school's
28 total population and there is sufficient capacity for a program, class,
29 grade level, or building to ensure that any student with legal settlement
30 in the attendance area may attend the school.

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

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

38 (g) This subsection applies if the number of applications for a
39 program, class, grade level, or building exceeds the capacity of the
40 program, class, grade level, or building. If a participating innovation
41 network charter school receives a greater number of applications than
42 there are spaces for students, each timely applicant must be given an



1 equal chance of admission. The participating innovation network
 2 charter school that is not in a county containing a consolidated city
 3 must determine which of the applicants will be admitted to the
 4 participating innovation network charter school or the program, class,
 5 grade level, or building by random drawing in a public meeting with
 6 each timely applicant limited to one (1) entry in the drawing. However,
 7 the participating innovation network charter school located in a county
 8 with a consolidated city shall determine which of the applicants will be
 9 admitted to the participating innovation network charter school or the
 10 program, class, grade level, or building by using a publicly verifiable
 11 random selection process.

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

19 **(1) reside in the geographic boundaries of the school
 20 corporation; and**

21 **(2) are enrolled in the participating innovation network charter
 22 school;**

23 in accordance with the school funding formula to the participating
 24 innovation network charter school.

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

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

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

38 the school must provide intervention that meets the requirements under
 39 subsection (b).

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

42 (1) The intervention includes a multilevel system of support that



1 progresses from less to more intensive support based on the
 2 student's individual needs.

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

5 (3) The intervention is:

6 (A) targeted;
 7 (B) differentiated; and
 8 (C) supplemental to Tier I instruction.

9 (4) The intervention:

10 (A) is aligned with evidence based instructional strategies
 11 to promote conceptual understanding, procedural fluency,
 12 and real world problem solving; and
 13 (B) allows a student opportunities to interact, show
 14 progress, and demonstrate understanding through rigorous
 15 grade level content.

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

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

23 (1) Specific information about how the student is performing.
 24 (2) Information about the intervention the student will
 25 receive from the school.
 26 (3) A list or description of any recommended resources
 27 available for use at home to support the student's academic
 28 growth in mathematics.

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

31 SECTION ~~8~~⁹ [9]. IC 20-43-13-4, AS AMENDED BY
 32 P.L.213-2025, SECTION 197, IS AMENDED TO READ AS
 33 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) Except as
 34 provided in subsections (c) and (d), the complexity index is the
 35 percentage of the school corporation's students who were receiving
 36 Supplemental Nutrition Assistance Program (SNAP) benefits,
 37 Temporary Assistance for Needy Families (TANF) benefits, or foster
 38 care services as of October 1 in the school year ending in the later of:

39 (1) 2025; or
 40 (2) the first year of operation of the school corporation.

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



6 STEP ONE: Determine:

7 (A) the school corporation's enrollment; minus

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

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

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

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

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

29 (A) 2025; or
30 (B) the first year of operation of the participating innovation
31 network charter school.

32 STEP SIX: Divide the result of STEP FIVE by the result of
33 STEP FOUR.

34 STEP SEVEN: For each participating innovation network charter
35 school, determine the greater of:

36 (A) the result of STEP THREE; or
37 (B) the result of STEP SIX.

38 STEP EIGHT: For each participating innovation network charter
39 school, multiply the result of STEP SEVEN by the result of
40 STEP FOUR.

41 STEP NINE: Determine the sum of:

42 (A) the result of STEP TWO; plus

2026

IN 1176—LS 6675/DI 110



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

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

STEP TEN: Determine the sum of:

(A) the result of STEP ONE; plus

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

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

15 SECTION ~~40~~10. IC 20-51.4-4-1, AS AMENDED BY
16 P.L.213-2025, SECTION 211, IS AMENDED TO READ AS
17 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1. (a) After June 30,
18 2022, a parent of an eligible student or an emancipated eligible student
19 may establish an Indiana education scholarship account for the eligible
20 student by entering into a written agreement with the department on a
21 form prepared by the department. The department shall establish a date
22 by which an application to establish an ESA account for the upcoming
23 school year must be submitted. However, for a school year beginning
24 after July 1, 2022, applications must be submitted for an eligible
25 student not later than September 1 for the immediately following
26 school year. The ESA account of an eligible student shall be made in
27 the name of the eligible student. The department shall make the
28 agreement available on the website of the department. To be eligible,
29 a parent of an eligible student or an emancipated eligible student
30 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;

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

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



1 **this chapter;**

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

4 (A) for the eligible student's study in the subject of reading,
 5 grammar, mathematics, social studies, or science; or

6 (B) for use in accordance with the eligible student's:

7 (i) individualized education program;

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

9 (iii) choice special education plan developed under 511

10 IAC 7-49; or

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

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

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

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

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

22 (C) choice special education plan developed under 511
 23 IAC 7-49; or

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

26 (b) A parent of an eligible student may enter into a separate
 27 agreement under subsection (a) for each child of the parent. However,
 28 not more than one (1) ESA account may be established for each
 29 eligible student.

30 (c) The ESA account must be established under subsection (a) by
 31 a parent of an eligible student or an emancipated eligible student for a
 32 school year on or before a date established by the department which
 33 must be at least thirty (30) days before the fall count day of ADM
 34 established under IC 20-43-4-3. A parent of an eligible student or an
 35 emancipated eligible student may not enter into an agreement under
 36 this section or maintain an ESA account under this chapter if the
 37 eligible student receives a choice scholarship under IC 20-51-4 for the
 38 same school year. An eligible student may not receive a grant under
 39 section 2 of this chapter if the eligible student is currently included in
 40 a school corporation's ADM count under IC 20-43-4.

41 (d) Except as provided in subsections (e) and (f), an agreement
 42 made under this section is valid for one (1) school year while the



1 eligible student is in kindergarten through grade 12 and may be
 2 renewed annually. Upon graduation, or receipt of a certificate of
 3 completion under the eligible student's individualized education
 4 program, the eligible student's ESA account is terminated.

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

- 7 (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
- 10 (2) the ESA account is not renewed within three hundred
 ninety-five (395) days after the date the ESA account was either
 established or last renewed.

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

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

22 (g) A distribution made to an ESA account under section 2 of this
 23 chapter is considered tax exempt as long as the distribution is used for
 24 an ESA qualified expense. The amount is subtracted from the
 25 definition of adjusted federal gross income under IC 6-3-1-3.5 to the
 26 extent the distribution used for the ESA qualified expense is included
 27 in the taxpayer's adjusted federal gross income under the Internal
 28 Revenue Code.

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

31 (i) A student described in IC 20-51.4-2-4(3)(B) may not use the
 32 money deposited into the eligible student's ESA account for ESA
 33 qualified expenses described in IC 20-51.4-2-9(a)(3),
 34 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).

35 SECTION 1~~↔[1]~~. IC 20-51.4-4-2, AS AMENDED BY
 36 P.L.213-2025, SECTION 212, IS AMENDED TO READ AS
 37 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2. (a) An eligible
 38 student who currently maintains an ESA account is entitled to an ESA
 39 annual grant amount for each school year until the student graduates or
 40 obtains a certificate of completion under the student's individualized
 41 education program. An eligible student may not receive a grant under
 42 this section after graduating or obtaining a certificate of completion.



1 The ESA annual grant amount shall be paid from the ESA program
 2 fund. The department shall deposit the ESA annual grant amount under
 3 this section, in quarterly deposits, into an eligible student's ESA
 4 account.

5 (b) Except as provided in subsection (c), at the end of the year in
 6 which an ESA account is established, the parent of an eligible student
 7 or the emancipated eligible student may roll over for use in a
 8 subsequent year a maximum of one thousand dollars (\$1,000).
 9 However, for each year thereafter, the parent of the eligible student or
 10 the emancipated eligible student may roll over one thousand dollars
 11 (\$1,000) plus any amount rolled over in a previous year.

12 (c) An eligible student's ESA account shall terminate the later of:
 13 (1) the date the student graduates high school; or
 14 (2) July 1 of the year in the year which the student graduates
 15 high school.

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

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

28 (b) The department shall administer the ESA program fund.
 29 (c) The ESA program fund consists of the following:
 30 (1) Appropriations by the general assembly.
 31 (2) Interest deposited in the ESA program fund under subsection
 32 (d).

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

38 (e) Money in the ESA program fund at the end of a state fiscal
 39 year~~[1]~~ **reverts** **does not revert** to the state general fund **and remains in**
 40 **the fund for the purposes of the fund.**

41 SECTION 1~~↔~~^[3] IC 20-51.4-4-3.5, AS AMENDED BY
 42 P.L.213-2025, SECTION 214, IS AMENDED TO READ AS



1 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3.5. (a) The Indiana
 2 education scholarship account administration fund is established for the
 3 purpose of accepting money for the Indiana education scholarship
 4 account program to support administration of the ESA program.

5 (b) The department shall administer the fund.

6 (c) The fund consists of the following:

7 (1) Appropriations by the general assembly.

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

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

13 (e) Money in the 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.**

14 SECTION 1~~↔~~[4]. IC 20-51.4-4.5-1, AS AMENDED BY
 15 P.L.213-2025, SECTION 220, IS AMENDED TO READ AS
 16 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1. (a) After June 30,
 17 2023, a parent of a career scholarship student or an emancipated career
 18 scholarship student may establish a career scholarship account for the
 19 career scholarship student by entering into a written agreement with the
 20 department on a form prepared by the department. An application to
 21 establish a CSA account, or an application to participate in the CSA
 22 program with an ESA account, must be submitted not later than
 23 October 1 for the school year. Subject to subsection (f), the CSA
 24 account of a career scholarship student must be made in the name of
 25 the career scholarship student. The department shall make the
 26 agreement available on the website of the department.

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

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

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

36 (3) the parent of the career scholarship student or the
 37 emancipated career scholarship student will use the money in the
 38 CSA account for the career scholarship student to attend one (1)

M

a

r

k

u

p



1 or more of the sequences, courses, apprenticeships, or programs
 2 of study designated and approved under section 6(a) of this
 3 chapter.

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

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

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

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

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

22 (f) If:

23 (1) a parent of a career scholarship student or an emancipated
 24 career scholarship student enters into a written agreement with
 25 the department on a form under subsection (a); and
 26 (2) the career scholarship student participates in the ESA
 27 program under this article;

28 the parent or emancipated career scholarship student must participate
 29 in the CSA program using the student's ESA account instead of
 30 establishing a CSA account. However, if the student ceases to
 31 participate in the ESA program, the parent of the student or the
 32 emancipated student must establish a CSA account to participate in the
 33 CSA program.

34 SECTION 1~~44~~5. IC 20-51.4-4.5-2, AS AMENDED BY
 35 P.L.213-2025, SECTION 221, IS AMENDED TO READ AS
 36 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2. (a) An agreement
 37 entered into under section 1 of this chapter terminates automatically for
 38 a career scholarship student if:

39 (1) the career scholarship student no longer resides in Indiana
 40 while the career scholarship student is eligible to receive grants
 41 under section 3 of this chapter; or

42 (2) the CSA account is not renewed within three hundred



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

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

17 (1) a CSA qualified expense; or
18 (2) an ESA qualified expense if the career scholarship student is
19 participating in the ESA program.

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

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

30 SECTION 1~~6~~[6]. IC 20-51.4-4.5-3, AS AMENDED BY
31 P.L.213-2025, SECTION 222, IS AMENDED TO READ AS
32 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3. (a) A career
33 scholarship student who currently maintains a CSA account or an ESA
34 account and participates in the CSA program is entitled to an annual
35 grant amount for each school year until the student:

42 (b) A career scholarship student may not receive a grant under this

2026

IN 1176—LS 6675/DI 110



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

1 section after graduating, receiving an Indiana high school equivalency
 2 diploma, or obtaining a certificate of completion. The CSA annual
 3 grant amount shall be paid from the CSA program fund. The
 4 department shall deposit the CSA annual grant amount under this
 5 section, in quarterly deposits, into a career scholarship student's:

6 (1) CSA account; or
 7 (2) ESA account if the student participates in the ESA program;
 8 in a manner established by the department.

9 (c) Except as provided in subsection (d), at the end of the year in
 10 which a CSA account is established, the parent of a career scholarship
 11 student or the emancipated career scholarship student may roll over for
 12 use in a subsequent year a maximum of one thousand dollars (\$1,000).
 13 However, for each year thereafter, the parent of the career scholarship
 14 student or emancipated eligible student may roll over one thousand
 15 dollars (\$1,000) plus any amount rolled over in a previous year.

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

18 (1) the date the student graduates high school or obtains an
 19 Indiana high school equivalency diploma; or
 20 (2) July 1 of the year in which the student graduates high school
 21 or obtains an Indiana high school equivalency diploma.

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

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

31 (b) The department shall administer the CSA program fund.
 32 (c) The CSA program fund consists of the following:

33 (1) Appropriations by the general assembly.
 34 (2) Interest deposited in the CSA program fund under subsection
 35 (d).

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

41 (e) Money in the CSA program fund at the end of a state fiscal
 42 year~~reverts~~**does not revert** to the state general fund **and remains in**



1 **the fund for the purposes of the fund.1**
2 1

M

a

r

k

u

p

2026

IN 1176—LS 6675/DI 110



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY