



Reprinted  
February 18, 2026

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## ENGROSSED HOUSE BILL No. 1242

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DIGEST OF HB 1242 (Updated February 17, 2026 4:52 pm - DI 143)

**Citations Affected:** IC 6-1.1; IC 20-19.

**Synopsis:** Education reports. Requires the department of education to: (1) prepare a report compiling certain statewide data on school corporations and charter schools; and (2) submit the report to the legislative council and the interim study committee on education. Requires the department of local government finance, in consultation with the department of education, to conduct a study of the disparities in per student operational funding amounts in school corporations, and submit the report to the legislative council and the state budget committee.

**Effective:** July 1, 2026.

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(SENATE SPONSOR — DEERY)

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January 5, 2026, read first time and referred to Committee on Education.  
January 27, 2026, amended, reported — Do Pass.  
January 29, 2026, read second time, ordered engrossed.  
January 30, 2026, engrossed.  
February 2, 2026, read third time, passed. Yeas 84, nays 0.

SENATE ACTION

February 5, 2026, read first time and referred to Committee on Education and Career Development.  
February 12, 2026, reported favorably — Do Pass.  
February 17, 2026, read second time, amended, ordered engrossed.

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Second Regular Session of the 124th General Assembly (2026)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2025 Regular Session of the General Assembly.

## ENGROSSED HOUSE BILL No. 1242

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 6-1.1-30-21 IS ADDED TO THE INDIANA CODE  
2 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2026]: **Sec. 21. (a) The department of local government finance,  
4 in consultation with the department of education (established by  
5 IC 20-19-3-1), shall conduct a study of the disparities in per student  
6 operational funding amounts in school corporations (as defined in  
7 IC 20-18-2-16(a)).**  
8 **(b) The study required under subsection (a) must include the  
9 following:**  
10 **(1) A comparison of per student operational funding levels for  
11 school corporations within each county.**  
12 **(2) An identification of the median per student operational  
13 funding level for schools within each county.**  
14 **(3) An analysis of the extent to which local property tax gross  
15 assessed values contribute to funding disparities among  
16 schools within a county.**  
17 **(4) An estimate of the amount of additional funding that**

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- 1 would be required to bring schools with per student  
 2 operational funding below a median level up to the median  
 3 level.
- 4 (c) The department of local government finance must use the  
 5 most recent data available from the department of education  
 6 (established by IC 20-19-3-1) and the state department of revenue  
 7 in carrying out the requirements of subsection (b).
- 8 (d) Not later than December 1, 2026, the department of local  
 9 government finance shall submit the report required under  
 10 subsection (a), in an electronic format under IC 5-14-6, to the  
 11 legislative council and the state budget committee.
- 12 (e) This section expires July 1, 2027.
- 13 SECTION 2. IC 20-19-3-41.3 IS ADDED TO THE INDIANA  
 14 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 15 [EFFECTIVE JULY 1, 2026]: **Sec. 41.3. (a) The department shall**  
 16 **prepare a report compiling statewide data on school corporations**  
 17 **and charter schools. The report must include the following**  
 18 **information:**
- 19 (1) The total number of school corporations and charter  
 20 schools in Indiana disaggregated by:
- 21 (A) county population;  
 22 (B) the number of school corporations and charter schools  
 23 per county; and  
 24 (C) the number of students enrolled in each school  
 25 corporation and charter school.
- 26 (2) Data regarding chronic absenteeism rates, performance on  
 27 the statewide assessment program, performance on the  
 28 determinant evaluation of reading skills approved by the state  
 29 board, and teacher salaries, disaggregated by:
- 30 (A) county population;  
 31 (B) the number of school corporations and charter schools  
 32 per county; and  
 33 (C) the number of students enrolled in each school  
 34 corporation and charter school.
- 35 (3) Recommendations to:
- 36 (A) increase school corporation and charter school  
 37 administrative efficiencies;  
 38 (B) reduce school corporation and charter school  
 39 administrative costs; and  
 40 (C) improve student outcomes.
- 41 (b) Not later than December 1, 2026, the department shall, in an  
 42 electronic format under IC 5-14-6, submit the report prepared



- 1     **under subsection (a) to the:**
- 2         **(1) legislative council; and**
- 3         **(2) interim study committee on education established by**
- 4         **IC 2-5-1.3-4.**
- 5         **(c) This section expires December 31, 2026.**



## COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1242, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 4, delete "corporations." and insert "**corporations and charter schools.**".

Page 1, line 6, after "corporations" insert "**and charter schools**".

Page 1, line 9, after "corporations" insert "**and charter schools**".

Page 1, line 10, after "school" insert "**corporation and charter school.**".

Page 1, delete line 11, begin a new line block indented and insert:  
**"(2) Data regarding chronic absenteeism rates, performance on the statewide assessment program, performance on the determinant evaluation of reading skills approved by the state board, and teacher salaries, disaggregated by:**

**(A) county population;**

**(B) the number of school corporations and charter schools per county; and**

**(C) the number of students enrolled in each school corporation and charter school.**".

Page 1, line 12, delete "(2)" and insert "(3)".

Page 1, line 13, after "corporation" insert "**and charter school**".

Page 1, delete line 14.

Page 1, line 15, after "corporation" insert "**and charter school**".

Page 1, line 15, delete "costs." and insert "**costs; and**

**(C) improve student outcomes.**".

Page 1, line 16, delete "September" and insert "**December**".

and when so amended that said bill do pass.

(Reference is to HB 1242 as introduced.)

BEHNING

Committee Vote: yeas 11, nays 0.



## COMMITTEE REPORT

Mr. President: The Senate Committee on Education and Career Development, to which was referred House Bill No. 1242, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is to HB 1242 as printed January 27, 2026.)

RAATZ, Chairperson

Committee Vote: Yeas 13, Nays 0

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 SENATE MOTION

Mr. President: I move that Engrossed House Bill 1242 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-30-21 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 21. (a) The department of local government finance, in consultation with the department of education (established by IC 20-19-3-1), shall conduct a study of the disparities in per student operational funding amounts in school corporations (as defined in IC 20-18-2-16(a)).**

**(b) The study required under subsection (a) must include the following:**

- (1) A comparison of per student operational funding levels for school corporations within each county.**
- (2) An identification of the median per student operational funding level for schools within each county.**
- (3) An analysis of the extent to which local property tax gross assessed values contribute to funding disparities among schools within a county.**
- (4) An estimate of the amount of additional funding that would be required to bring schools with per student operational funding below a median level up to the median level.**

**(c) The department of local government finance must use the most recent data available from the department of education (established by IC 20-19-3-1) and the state department of revenue in carrying out the requirements of subsection (b).**

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**(d) Not later than December 1, 2026, the department of local government finance shall submit the report required under subsection (a), in an electronic format under IC 5-14-6, to the legislative council and the state budget committee.**

**(e) This section expires July 1, 2027."**

Renumber all SECTIONS consecutively.

(Reference is to EHB 1242 as printed February 13, 2026.)

DEERY

