

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.

HOUSE ENROLLED ACT No. 1242

AN ACT to amend the Indiana Code concerning education.

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

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

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(established by IC 20-19-3-1) and the state department of revenue in carrying out the requirements of subsection (b).

(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.

SECTION 2. IC 20-19-3-41.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 41.3. (a) The department shall prepare a report compiling statewide data on school corporations and charter schools. The report must include the following information:**

(1) The total number of school corporations and charter schools in Indiana 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.

(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.

(3) Recommendations to:

(A) increase school corporation and charter school administrative efficiencies;

(B) reduce school corporation and charter school administrative costs; and

(C) improve student outcomes.

(b) Not later than December 1, 2026, the department shall, in an electronic format under IC 5-14-6, submit the report prepared under subsection (a) to the:

(1) legislative council; and

(2) interim study committee on education established by IC 2-5-1.3-4.

(c) This section expires December 31, 2026.



Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Governor of the State of Indiana

Date: _____ Time: _____

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