

PROPOSED AMENDMENT

HB 1266 # 9

DIGEST

Education matters. Adds the Indiana School for the Deaf and the Indiana School for the Blind and Visually Impaired to the schools eligible for funding for Cambridge International courses. Provides that a teacher appreciation grant received by a school corporation or charter school may be used to pay the Federal Insurance Contributions Act (FICA) and Indiana state teachers' retirement fund costs associated with distributing a stipend. Deletes provisions joining the interstate teacher mobility compact. Specifies the calculation of operating referendum distributions to charter schools with regard to virtual instruction.

- 1 Page 22, delete lines 37 through 42, begin a new paragraph and
2 insert:
3 "SECTION 23. IC 20-36-6-2.3 IS ADDED TO THE INDIANA
4 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
5 [EFFECTIVE JULY 1, 2026]: **Sec. 2.3. As used in this chapter,**
6 **"eligible school" means the following:**
7 **(1) The Indiana School for the Deaf established by**
8 **IC 20-22-2-1.**
9 **(2) The Indiana School for the Blind and Visually Impaired**
10 **established by IC 20-21-2-1.**
11 SECTION 24. IC 20-36-6-4, AS AMENDED BY P.L.246-2023,
12 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 JULY 1, 2026]: Sec. 4. (a) The Cambridge International program is
14 established to encourage students to pursue advanced courses.
15 (b) The program shall be administered by the department.
16 (c) Subject to appropriation by the general assembly, the department
17 shall provide schools, **including schools listed in section 2.3 of this**
18 **chapter**, the same per pupil exam fee amounts for international
19 baccalaureate and Cambridge International exams as the per pupil per
20 exam funding amount for a student to take advanced placement exams.
21 SECTION 25. IC 20-36-6-5, AS ADDED BY P.L.216-2021,
22 SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 JULY 1, 2026]: Sec. 5. Each school year each school corporation, ~~or~~

1 school, **and eligible school** may provide Cambridge International
2 courses.

3 SECTION 26. IC 20-36-6-8, AS ADDED BY P.L.216-2021,
4 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2026]: Sec. 8. (a) Money appropriated to the department to
6 implement the program shall be distributed first to pay the fees for each
7 Cambridge International examination that is taken by a student to
8 satisfy Indiana graduation requirements, including Core 40 with
9 academic honors, and who is:

- 10 (1) enrolled in a public or state accredited nonpublic secondary
11 school, **including schools listed in section 2.3 of this chapter;**
12 and
13 (2) a resident of Indiana.

14 Priority under this subsection shall be given to paying fees for each
15 Cambridge International examination that is taken by a student in grade
16 11 or 12.

17 (b) After money appropriated for the program is distributed for the
18 purposes described in subsection (a), any remaining money
19 appropriated for the program shall be distributed and prioritized for
20 distribution in the following order:

- 21 (1) To pay stipends for teachers assigned to teach a math, science,
22 or English Cambridge International course to attend the training
23 described in section 7 of this chapter.
- 24 (2) To pay school corporations, ~~or~~ schools, **and eligible schools**
25 for instructional materials needed for a math, science, or English
26 Cambridge International course.
- 27 (3) To pay for or rent equipment that a school corporation, ~~or~~
28 school, **or eligible school** may need to develop a math, science,
29 or English Cambridge International course.
- 30 (4) To pay any other stipends, costs, or fees incurred in
31 implementing the Cambridge International program for subjects
32 other than math, science, or English as authorized under this
33 chapter.

34 (c) The department shall establish guidelines concerning the
35 distribution of funds under this chapter, including guidelines to ensure
36 that money distributed under this chapter is distributed as evenly as
37 possible throughout Indiana.

38 (d) The department may also seek funding to carry out the purposes
39 of this chapter through federal programs.

40 (e) The department may give priority in the distribution of funds to

a school that serves a high concentration of low income students.

SECTION 27. IC 20-36-6-9, AS ADDED BY P.L.216-2021, SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 9. (a) The department shall develop and provide each public and state accredited nonpublic elementary school and high school, **including schools listed in section 2.3 of this chapter**, with guidelines designed to satisfy the requirements of this chapter.

(b) The guidelines developed under this section and the dissemination of the guidelines shall be developed and disseminated in the same manner as other college credit bearing programs."

Delete pages 23 through 38.

Page 39, delete lines 1 through 3.

Page 45, delete lines 24 through 42, begin a new paragraph and insert:

"SECTION 33. IC 20-43-16-5, AS ADDED BY P.L.213-2025, SECTION 198, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. **(a)** A grant received by a school corporation, or charter school, may only be used to pay stipends within the amounts described in section 8 of this chapter to one (1) or more teachers selected by the school corporation or charter school who:

- (1) have instructed students in a school or district for at least one (1) school year prior to the grant distribution year;
- (2) maintain employment at the same school or district at the time of the grant distribution;
- (3) are determined to significantly impact student outcomes using national, state, or local assessment measures; and
- (4) are designated in one (1) of the categories described in section 6 of this chapter.

(b) A grant received by a school corporation, a school, or the department of correction may be used to pay the Federal Insurance Contributions Act (FICA) and Indiana state teachers' retirement fund costs associated with distributing a stipend under this chapter."

Page 46, delete lines 1 through 3.

Page 48, between lines 8 and 9, begin a new paragraph and insert:

"SECTION 40. IC 20-46-1-21, AS AMENDED BY P.L.68-2025, SECTION 221, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 21. (a) This section:

- (1) except as provided in subdivision (2), applies to revenue received from a resolution that is approved by the governing body

to impose a referendum levy under section 8 or 8.5 of this chapter after May 10, 2023, for a school corporation located in:

- (A) Lake County;
- (B) Marion County;
- (C) St. Joseph County; or
- (D) Vanderburgh County;

through the full term of the referendum levy; and

(2) does not apply to revenue received from a referendum levy if:

- (A) the governing body of the school corporation approves the referendum levy in a resolution adopted under section 8 or 8.5 of this chapter; and
- (B) the referendum levy is imposed for the first time with property taxes first due and payable in a calendar year beginning after December 31, 2027.

(b) Subject to subsections (f) and (h), the county auditor in the county in which the school corporation is located shall distribute an amount of revenue as provided under subsection (e) from the revenue collected from a tax levy imposed under this chapter by a school corporation that is attributable to the territory of the school corporation that is located within the boundaries of a county listed in subsection (a)(1) to each charter school, excluding virtual charter schools or adult high schools, that a student who resides within the attendance area of the school corporation attends if the charter school elects to participate in the referendum under section 8(h) of this chapter.

(c) The department shall provide the county auditor with data and information necessary for the county auditor to determine:

- (1) which charter schools are eligible to receive a distribution under this section; and
- (2) the number of students who:
 - (A) reside within the attendance area of the school corporation who are included in the ADM for each charter school, excluding virtual charter schools or adult high schools, described in subdivision (1); and
 - (B) receive not more than fifty percent (50%) virtual instruction.

(d) The following schools are not eligible to receive a distribution under this section:

- (1) A virtual charter school.
- (2) An adult high school.

(e) For the purposes of the calculations made in this subsection,

each eligible school that has entered into an agreement with a school corporation to participate as a participating innovation network charter school under IC 20-25.7-5 is considered to have an ADM that is separate from the school corporation. The amount that the county auditor shall distribute to a charter school, excluding virtual charter schools or adult high schools, under this section is the amount determined in the last STEP of the following STEPS:

STEP ONE: Determine, for each charter school, excluding virtual charter schools or adult high schools, that is eligible to receive a distribution under this section, the number of students who:

- (A) reside within the attendance area of the school corporation;
- (B) ~~who~~ are currently included in the ADM of the charter school; and
- (C) receive not more than fifty percent (50%) virtual instruction.

STEP TWO: Determine the sum of:

- (A) the current ADM count for the school corporation; plus
- (B) ~~the~~ total number of ~~all~~ students who:
 - (i) reside within the attendance area of the school corporation;
 - (ii) ~~who~~ are currently included in the ADM of a charter school, **excluding virtual charter schools or adult high schools**; and
 - (iii) receive not more than fifty percent (50%) virtual instruction. ~~excluding virtual charter schools or adult high schools.~~

STEP THREE: Determine the result of:

- (A) the STEP ONE amount; divided by
- (B) the STEP TWO amount.

STEP FOUR: Determine the result of:

- (A) the sum of:
 - (i) the STEP THREE amount; plus
 - (ii) any amount withheld in the previous year under subsection (i); multiplied by
- (B) the amount collected by the county auditor during the most recent installment period that is attributable to the territory of the school corporation that is located within the boundaries of a county listed in subsection (a).

(f) A charter school is not eligible for a distribution under this

1 section from property tax revenue collected from a particular
 2 referendum levy if the charter school does not have a certified fall
 3 ADM count in the calendar year immediately preceding the calendar
 4 year in which the public question for the referendum appears on the
 5 ballot.

6 (g) Not later than August 15, 2025, and not later than August 15 of
 7 each calendar year thereafter, the department shall provide to each
 8 school corporation and eligible charter school an estimate of the
 9 amount of property tax levy revenue the school corporation and charter
 10 school are expected to receive under this section in the subsequent
 11 calendar year based on the most recent fall ADM count.

12 (h) This subsection applies beginning with distributions of property
 13 tax revenue under this section in 2026 and thereafter. In order to
 14 receive a distribution under this section, the governing body of a
 15 charter school shall, not later than October 15, 2025, and not later than
 16 October 15 of each calendar year thereafter, adopt a budget for the
 17 current school year. Not later than ten (10) days before its adoption, the
 18 budget must be fixed and presented to the charter board in a public
 19 meeting in the county in which the charter school is incorporated. Not
 20 later than November 1, 2025, and not later than November 1 of each
 21 calendar year thereafter, the governing body of the charter school shall
 22 submit:

23 (1) the budget that is adopted under this subsection;

24 (2) the dates on which each requirement under this subsection
 25 were met; and

26 (3) a statement from the governing body of the charter school
 27 attesting that the dates provided in subdivision (2) are true and
 28 accurate and that the budget was properly adopted under this
 29 subsection;

30 to the charter authorizer for review and to the department of local
 31 government finance to be posted publicly on the computer gateway
 32 under IC 6-1.1-17-3.

33 (i) If a charter school does not satisfy the requirements of subsection
 34 (h) to receive distributions under this section during a calendar year, as
 35 determined by the department of local government finance, the charter
 36 school may not receive a distribution of property tax revenue in that
 37 calendar year and the county auditor shall withhold the charter school's
 38 distribution amount. The department of local government finance's
 39 determination of compliance consists only of a confirmation that the
 40 adopted budget and attestation statement are submitted not later than

- 1 the applicable date under subsection (h). Any distribution amount
2 withheld under this subsection shall be:
- 3 (1) added to the property tax revenue collections as described in
4 STEP TWO of subsection (e); and
- 5 (2) distributed among the school corporation and remaining
6 charter schools according to subsection (e);
7 in the calendar year that immediately follows the calendar year in
8 which the distribution amount was withheld."
- 9 Page 49, line 29, delete "do not receive more" and insert "**receive**
10 **not more**".
- 11 Page 54, delete lines 13 through 18.
- 12 Renumber all SECTIONS consecutively.
(Reference is to HB 1266 as printed January 8, 2026.)