

Updated February 10, 2026 (12:01pm)

SENATE BILL No. 161

AM016105 has been incorporated into January 23, 2026 printing.

Synopsis: Education matters.

M
e
r
g
e
d

SB 161—LS 6719/DI 143



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

Reprinted

January 23, 2026

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.

SENATE BILL No. 161

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 6-3.1-30.5-3, AS AMENDED BY P.L.92-2011,
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2027]: Sec. 3. As used in this chapter, "scholarship
4 granting organization" refers to:
5 (1) an organization that:
6 (†) (A) is exempt from federal income taxation under
7 Section 501(c)(3) of the Internal Revenue Code; and
8 (‡) (B) conducts a school scholarship program without
9 limiting the availability of scholarships to students of only
10 one (1) participating school (as defined in IC 20-51-1-6); or
11 (2) an organization that:
12 (A) meets the requirements described in subdivision (1);
13 and
14 (B) is included on the list submitted to the Secretary of
15 the Treasury of the United States for the taxable year
16 under IC 20-53-1.
17 SECTION 2. IC 20-53 IS ADDED TO THE INDIANA CODE AS

SB 161—LS 6719/DI 143



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

M
e
r
g
e
d

1 A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE UPON
2 PASSAGE]:

3 **ARTICLE 53. STATE PARTICIPATION IN FEDERAL TAX**
4 **CREDIT SCHOLARSHIP PROGRAM**

5 **Chapter 1. State List of Scholarship Granting Organizations**

6 **Sec. 1. The department is authorized to and shall as early as**
7 **practicable elect to participate as a covered state in the federal tax**
8 **credit scholarship program for elementary and secondary**
9 **education under Section 25F of the Internal Revenue Code.**

10 **Sec. 2. (a) The department shall identify qualified scholarship**
11 **granting organizations located in Indiana that meet the**
12 **requirements set forth in section 4 of this chapter.**

13 **(b) The department shall accept applications throughout the**
14 **year from scholarship granting organizations wishing to be**
15 **identified as a qualified scholarship granting organization under**
16 **subsection (a).**

17 **Sec. 3. (a) Not later than the first day of January each year, the**
18 **department shall submit to the Secretary of the Treasury of the**
19 **United States the list of qualified scholarship granting**
20 **organizations identified under section 2(a) of this chapter that are**
21 **located in Indiana and publish the list submitted under this**
22 **subsection on its website.**

23 **(b) The department shall on each list submitted under**
24 **subsection (a) certify its authority to do so as required under**
25 **Section 25F(g)(2) of the Internal Revenue Code.**

26 **Sec. 4. (a) A scholarship granting organization shall be**
27 **included on the list of qualified scholarship granting organizations**
28 **submitted by the department to the Secretary of the Treasury of**
29 **the United States under this chapter, if the organization:**

30 **(1) is a nonprofit organization with the primary purpose of**
31 **providing scholarships to students; and**

32 **(2) meets the requirements described in Section 25F(c)(5) of**
33 **the Internal Revenue Code.**

34 **(b) A scholarship granting organization (as defined in**
35 **IC 6-3.1-30.5-3(1)) for purposes of the tax credit under**
36 **IC 6-3.1-30.5 is eligible to be included on the list of qualified**
37 **scholarship granting organizations under this chapter, if the**
38 **scholarship granting organization meets the requirements under**
39 **subsection (a). Each year the department shall provide to the**
40 **department of state revenue a list of the scholarship granting**
41 **organizations (as defined in IC 6-3.1-30.5-3(1)) that are also**
42 **included on the list of qualified scholarship granting organizations**

M
e
r
g
e
d



1 submitted by the department to the Secretary of the Treasury of
2 the United States under this chapter.

3 SECTION 3. IC 22-4.1-4-16 IS ADDED TO THE INDIANA
4 CODE AS A NEW SECTION TO READ AS FOLLOWS
5 [EFFECTIVE JULY 1, 2026]: Sec. 16. (a) As used in this section,
6 "high skill, high wage, or in demand industry sectors or
7 occupations" means sectors or occupations identified by the state
8 pursuant to the Carl D. Perkins Career and Technical Education
9 Act of 2006 (20 U.S.C. 2301 et seq.) and applicable state and local
10 workforce development processes.

11 (b) The governor and the department, in consultation with the
12 commission for higher education (established by IC 21-18-2-1)
13 shall do the following:

14 (1) Establish a process to identify eligible workforce training
15 programs that prepare students for high skill, high wage, or
16 in demand industry sectors or occupations for workforce Pell
17 grants.

18 (2) Establish a process for institutions and programs to:

19 (A) apply for recognition as an eligible workforce
20 training program;

21 (B) be approved for workforce Pell grants; and

22 (C) appeal denials of workforce Pell grants.

23 (3) Coordinate certification and oversight of eligible
24 workforce training programs with:

25 (A) workforce focused agencies;

26 (B) workforce related programs; and

27 (C) state and federal programs.

28 (4) Require eligible workforce training programs to provide
29 data required under applicable federal workforce Pell grant
30 regulations, including:

31 (A) program completion rates;

32 (B) job placement rates; and

33 (C) graduate earnings.

34 (c) The department shall ensure that the implementation of
35 this section does not impose requirements more restrictive than, or
36 inconsistent with, any applicable federal rules governing the
37 workforce Pell grant program.

38 SECTION 4. An emergency is declared for this act.

M
e
r
g
e
d

SB 161—LS 6719/DI 143

