

## SENATE BILL No. 239

---

### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 4-21.5-2-4; IC 6-1.1-17-3.1; IC 20-19-3-45.5; IC 20-24-11-5; IC 20-25.7-5; IC 20-26; IC 20-32-6.5-3; IC 20-43-13-4; IC 20-51-1-5; IC 20-51.4; IC 21-18-15.1.

**Synopsis:** Various education matters. Requires the department of education (department) to: (1) compile a list of business and industry partners that provide guaranteed incentives to high school students who earn the honors employment plus seal; and (2) publish the list on the department's website. Provides that, in addition to conditions established in current law to convert an existing public elementary or secondary school, an existing public elementary or secondary school may be converted into a charter school if certain other conditions apply. Allows, if the conditions are met, the governing body of a school corporation to: (1) convert more than one existing public elementary or secondary school within the school corporation; and (2) operate two or more conversion charter schools under a single charter. Amends provisions regarding participating innovation network charter schools to allow an organizer to enter into an agreement with more than one school corporation. Amends requirements regarding the location of a participating innovation network charter school and terms of an agreement. Amends the duties of the department with regard to participating innovation network charter schools. Makes conforming changes, including changes to the complexity index. Provides that a school corporation that fails to report certain information to the department will receive reduced state tuition support. Provides that if a school corporation files an appeal of the department's determination as to whether a covered school building must be made available to a charter school or state educational institution and the school corporation is determined to be the nonprevailing party, the school corporation is responsible for reasonable attorney's fees

(Continued next page)

**Effective:** July 1, 2026.

---

---

**Rogers**

---

---

January 8, 2026, read first time and referred to Committee on Education and Career Development.

---

---



## Digest Continued

incurred by the prevailing party. Provides that an appeal of final determination issued by the state board of education as to whether a covered school building must be made available to a charter school or state educational institution must go directly to the court of appeals. Requires a school corporation to transfer a covered school building within 10 days of a final unappealable order and provides that a charter school or state educational institution may file a civil action to enforce transfer and seek liquidated damages in the amount of \$10,000 for each day the transfer exceeds the 10 day time frame. Provides that a lease or sale of a covered school building to a charter school or state educational institution includes certain assets. Requires parental notification if a school determines a student is at risk of not achieving grade level proficiency in mathematics. Removes the income limits of an eligible student with respect to a scholarship granting organization. Provides that money in terminated education scholarship accounts and career scholarship accounts does not revert to the state general fund. Provides that money in the Indiana education scholarship account program fund, Indiana education scholarship account administration fund, and career scholarship account program fund at the end of a state fiscal year does not revert to the state general fund. Allows state accredited nonpublic schools to apply for the teacher residency grant pilot program.



Introduced

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. 239

---

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 4-21.5-2-4, AS AMENDED BY P.L.132-2019,  
2        SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3        JULY 1, 2026]: Sec. 4. (a) This article does not apply to any of the  
4        following agencies:  
5                (1) The governor.  
6                (2) The state board of accounts.  
7                (3) The state educational institutions.  
8                (4) The department of workforce development.  
9                (5) The unemployment insurance review board of the department  
10               of workforce development.  
11               (6) The worker's compensation board of Indiana.  
12               (7) The military officers or boards.  
13               (8) The Indiana utility regulatory commission.  
14               (9) The department of state revenue (excluding an agency action  
15               related to the licensure of private employment agencies).



(10) The department of local government finance.  
(11) The Indiana board of tax review.  
(12) The Indiana department of veterans' affairs.  
(13) The Indiana veterans' affairs commission.

**(14) The state board of education when issuing a final determination described in IC 20-26-7.1-4.**

(b) This article does not apply to action related to railroad rate and tariff regulation by the Indiana department of transportation.

SECTION 2. IC 6-1.1-17-3.1, AS AMENDED BY P.L.136-2024, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3.1. (a) This section:

(1) applies only to an operating referendum tax levy under IC 20-46-1 approved by the voters before January 1, 2023, that is imposed by a school corporation for taxes first due and payable in 2024 and 2025;

(2) does not apply to an operating referendum tax levy under IC 20-46-1:

(A) approved by the voters during a time that the school corporation imposing the levy was designated as a distressed political subdivision; or

(B) approved by the voters after December 31, 2022, and before January 1, 2025, that is imposed by a school corporation for taxes first due and payable in 2024 or 2025; and

(3) does not apply to any other tax year.

(b) As used in this section, "ADM" refers to the school corporation's average daily membership used to determine the state tuition support distribution under IC 20-43. In the case of a school corporation that has entered into an agreement with one (1) or more charter schools to participate as an innovation network charter school under IC 20-25.7-5, the term includes the average daily membership of **students described in IC 20-25.7-5-2(b)(2)** of any innovation network charter school that is treated as a school operated by the school corporation **with regard to students described in IC 20-25.7-5-2(b)(2)** when calculating the total amount of state tuition 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:

(1) the maximum operating referendum tax that could have been levied by the school corporation if the maximum referendum rate



was imposed for taxes first due and payable in 2023 multiplied by one and three-hundredths (1.03); or

(2) the maximum operating referendum tax that could otherwise be levied by the school corporation for taxes first due and payable in 2024.

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

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

### STEP ONE: Subtract:

(i) the school corporation's spring count of ADM made in the calendar year preceding by five (5) years the calendar year in which the property taxes are first due and payable;

from  
(ii) the school corporation's spring count of ADM made in the immediately preceding calendar year.

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

**STEP THREE:** Divide the **STEP TWO** result by the school corporation's spring count of ADM made in the calendar year preceding by five (5) years the calendar year in which the property taxes are first due and payable.

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

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

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

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

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

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



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

SECTION 3. IC 20-19-3-45.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 45.5. Beginning July 1, 2027, and each July 1 thereafter, the department shall:**

- (1) compile a list of business and industry partners that provide guaranteed incentives to high school students who earn the honors employment plus seal; and
- (2) publish the list described in subdivision (1) on the department's website.

SECTION 4. IC 20-24-11-5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 5. (a) An existing public elementary or secondary school may be converted into a charter school if the governing body of the school corporation:**

- (1) votes to convert the school within the school corporation; and
- (2) submits to an authorizer a proposal described in IC 20-24-3-4 to convert the school within the school corporation to a charter school.

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

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

- (1) the school corporation; or
- (2) a nonprofit corporation that:
  - (A) is established by the school corporation;
  - (B) is incorporated or registered in Indiana;
  - (C) has been recognized by the Internal Revenue Service to be tax exempt and maintains such tax exempt status; and
  - (D) has an independent board whose members have been elected or selected under the organizer's application and that has entered into a contract under this article to operate a charter school.

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



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

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

- (A) is identified in the charter application and charter; and**
- (B) is subject to the performance conditions, accountability measures, and renewal determinations established in the charter.**

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

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

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

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

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

**(2)** establish a participating innovation network charter school at a location;

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

(B) within the geographic boundaries of any school 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**



1 who:

**(A) reside within the geographic boundaries of the school corporation; and**

6 in accordance with the school funding formula to the participating  
7 innovation network charter school (if the participating innovation  
8 network charter school is, **with regard to students described in**  
9 **this subsection**, treated in the same manner as a school operated  
10 by the school corporation under subsection (d)(2)).

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

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

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

25 (7) A statement that the innovation agreement shall not create an  
26 obligation that would cause the organizer to be in violation of its  
27 charter agreement (as described in IC 20-24-1-3).

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

34 (1) the department shall include the participating innovation  
35 network charter school's performance assessment results under  
36 **IC 20-31-8 for students who reside within the geographic**  
37 **boundaries of the school corporation** when calculating the  
38 school corporation's performance assessment under rules adopted  
39 by the state board; **and**

40 (2) the department shall:



1 corporation **with regard to students residing within the**  
2 **geographic boundaries of the school corporation** when  
3 calculating the total amount of state funding to be distributed  
4 to the school corporation unless subsection (e) applies; and  
5 **(B) in determining the school corporation's enrollment,**  
6 **include only eligible pupils enrolled in the participating**  
7 **innovation network charter school who reside within the**  
8 **geographic boundaries of the school corporation.**

9 (3) if requested by a participating innovation network charter  
10 school that reconstitutes an eligible school, the department may  
11 use student growth as the state board's exclusive means to  
12 determine the innovation network charter school's category or  
13 designation of school improvement under 511 IAC 6.2-10-10 for  
14 a period of three (3) years. Beginning with the 2019-2020 school  
15 year, the department may not use student growth as the state  
16 board's exclusive means to determine an innovation network  
17 charter school's category or designation of school improvement.  
18 This subdivision expires July 1, 2023.

19 (e) If a participating innovation network school was established  
20 before January 1, 2016, and for the current school year has a  
21 complexity index that is greater than the complexity index for the  
22 school corporation that the innovation network school has contracted  
23 with, the innovation network school shall be treated as a charter school  
24 for purposes of determining tuition support. This subsection expires  
25 June 30, 2027.

26 (f) If the board or organizer fails to follow the process described in  
27 subsection (b)(4), the board or organizer may appeal to the state board.  
28 The state board shall hear the appeal in a public meeting and ensure  
29 that the board or organizer follows the renewal process specified in the  
30 agreement. The board may not terminate an agreement until the board  
31 has provided evidence to the state board that the board has complied  
32 with the renewal process specified in the agreement. The state board  
33 shall issue a decision on an appeal under this subsection not later than  
34 sixty (60) days after the date the board or organizer submitted the  
35 appeal to the state board.

36 (g) If an administrative fee is included in an agreement entered into  
37 or renewed **under this chapter** after June 30, 2023, 2026, under this  
38 section, **the fee may not exceed one percent (1%) of the total amount**  
39 **of state tuition support that is distributed to the school corporation**  
40 **based on the participating innovation network charter school's student**  
41 **enrollment. each school corporation with which an organizer of a**  
42 **participating innovation network charter school has entered into**



1       **an agreement may assess an administrative fee of not more than  
2       one percent (1%) of the tuition support dollars that the school  
3       corporation receives for students who:**

4           **(1) reside within the geographic boundaries of the school  
5       corporation; and  
6           (2) are enrolled in the participating innovation network  
7       charter school.**

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

11      SECTION 6. IC 20-25.7-5-2.5 IS ADDED TO THE INDIANA  
12      CODE AS A NEW SECTION TO READ AS FOLLOWS  
13      [EFFECTIVE JULY 1, 2026]: Sec. 2.5. **In addition to any state  
14      tuition support dollars a participating innovation network charter  
15      school receives from a school corporation under this chapter, the  
16      department shall treat the participating innovation network  
17      charter school as a charter school when calculating the tuition  
18      support to be distributed to the innovation network charter school  
19      for students of the innovation network charter school who do not  
20      reside within the geographic boundaries of a school corporation  
21      with which the innovation network charter school has an  
22      agreement under this chapter.**

23      SECTION 7. IC 20-25.7-5-5, AS AMENDED BY P.L.220-2021,  
24      SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
25      JULY 1, 2026]: Sec. 5. (a) IC 20-24-5-5 (with the exception of  
26      IC 20-24-5-5(g)) does not apply to a participating innovation network  
27      charter school that enters into an agreement with the board to  
28      reconstitute or establish an eligible school.

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

32      (c) A participating innovation network charter school that  
33      reconstitutes or establishes an eligible school may limit new  
34      admissions to the participating innovation network charter school to:

35           **(1) ensure that any student with legal settlement in the attendance  
36       area, or in the school corporation **any school corporation with  
37       which the participating innovation network charter school has  
38       entered into an agreement under this chapter** if the school does  
39       not have a defined attendance area, may attend the charter school;  
40           (2) ensure that a student who attends the participating innovation  
41       network charter school during a school year may continue to  
42       attend the charter school in subsequent years;**



4 (4) allow preschool students who attend a Level 3 or Level 4  
5 Paths to QUALITY program preschool to attend kindergarten at  
6 the participating innovation network charter school if the  
7 participating innovation network charter school and the school  
8 corporation or preschool provider have entered into an agreement  
9 to share services or facilities;

10 (5) allow each student who qualifies for free or reduced price  
11 lunch under the national school lunch program to receive  
12 preference for admission to the participating innovation network  
13 charter school if the preference is specifically provided for in the  
14 charter and is approved by the authorizer; and

15 (6) allow each student who attended a turnaround academy or  
16 attends a school that is located in the same school building as the  
17 participating innovation network charter school to receive  
18 preference for admission to the participating innovation network  
19 charter school if the preference is specifically provided for in the  
20 participating innovation network charter school's charter and is  
21 approved by the authorizer of the participating innovation  
22 network charter school.

23 (d) A participating innovation network charter school with a  
24 curriculum that includes study in a foreign country may deny admission  
25 to a student if:

26 (1) the student:

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

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

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

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

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

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

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



1 through (2)(D) must be included in the calculation of the number of  
 2 school days that a student has been suspended.

3 (e) A participating innovation network charter school may give  
 4 enrollment preferences to children of the participating innovation  
 5 network charter school's founders, governing board members, and  
 6 participating innovation network charter school employees, as long as  
 7 the enrollment preference under this subsection is not given to more  
 8 than ten percent (10%) of the participating innovation charter school's  
 9 total population and there is sufficient capacity for a program, class,  
 10 grade level, or building to ensure that any student with legal settlement  
 11 in the attendance area may attend the school.

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

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

19 (g) This subsection applies if the number of applications for a  
 20 program, class, grade level, or building exceeds the capacity of the  
 21 program, class, grade level, or building. If a participating innovation  
 22 network charter school receives a greater number of applications than  
 23 there are spaces for students, each timely applicant must be given an  
 24 equal chance of admission. The participating innovation network  
 25 charter school that is not in a county containing a consolidated city  
 26 must determine which of the applicants will be admitted to the  
 27 participating innovation network charter school or the program, class,  
 28 grade level, or building by random drawing in a public meeting with  
 29 each timely applicant limited to one (1) entry in the drawing. However,  
 30 the participating innovation network charter school located in a county  
 31 with a consolidated city shall determine which of the applicants will be  
 32 admitted to the participating innovation network charter school or the  
 33 program, class, grade level, or building by using a publicly verifiable  
 34 random selection process.

35 SECTION 8. IC 20-25.7-5-6, AS ADDED BY P.L.162-2024,  
 36 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 37 JULY 1, 2026]: Sec. 6. (a) Subject to an administrative fee as described  
 38 in section 2(g) of this chapter, a school corporation that enters into an  
 39 agreement with an organizer under this chapter shall distribute at least  
 40 one hundred percent (100%) of state tuition support dollars that the  
 41 school corporation receives from ~~student enrollment~~ students who:

42 (1) **reside in the geographic boundaries of the school**



**corporation; and**

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

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

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

SECTION 9. IC 20-26-7-47, AS AMENDED BY P.L.36-2024, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 47. (a) The following definitions apply throughout this section:

(1) "Covered school building" has the meaning set forth in IC 20-26-7.1-2.1.

(2) "Current school year" refers to a year in which the governing body is required to conduct a review of school building usage under subsection (c).

(3) "Enrollment" refers to the following:

(A) Except as provided in clause (B), students counted in ADM (as defined in IC 20-43-1-6) in the first count date for a school year fixed under IC 20-43-4-3.

(B) With regard to a school corporation, students counted in a school corporation's fall count of ADM minus all students counted in the fall count of ADM who are enrolled in eligible schools that:

(i) have entered into an agreement with the school corporation to participate as a participating innovation network charter school under IC 20-25.7-5; and

(ii) are included in the school corporation's fall ADM count.

(4) "Interested person" has the meaning set

IC 20-26-7.1-2.2.

b) This section applies to a school corporation only if:

(1) the total student enrollment for in-person instruction in the school corporation in the current school year is at least ten percent (10%) less than the student enrollment for in-person instruction in the school corporation in a school year that precedes the

current school year by five (5); and  
(2) the school corporation in the current school year has more than one (1) school building serving the same grade level as the school building subject to closure under this section.



(c) Each school year, the governing body of a school corporation shall review the usage of school buildings used by the school corporation to determine whether any school building should be closed for the ensuing school year and subsequent school years.

(d) A school corporation shall close a school building for the ensuing school year (and subsequent school years) if:

(1) at any time the school building had been used for classroom instruction;

(2) in the current school year and the two (2) school years immediately preceding the current school year the school building was underutilized for classroom instruction purposes or other allowable uses specified by this section;

(3) as of the end of the school year before the school building is required to be closed under this section, the school corporation was not subject to a transitional plan adopted by the governing body and approved by the department to use the school building for an allowable use not later than the next school year after the school building is otherwise required to be closed under this section;

(4) in the case of a school building that was used in any part in the current school year for instructional purposes, the school corporation has another school building:

(A) with sufficient capacity to take the students using the school building being considered for closure; and

(B) that does not require more than twenty (20) minutes of travel time by car or bus from the school building being considered for closure; and

(5) the school building is not a school building described in IC 20-26-7.1-1, IC 20-26-7.1-3(b), IC 20-26-7.1-3(c), or IC 20-26-7.1-3(d).

(e) For purposes of this section, a school building is underutilized in a school year if the school building is not used for any of the following allowable uses:

(1) The number of full-time equivalent students enrolled for in-person instruction in the school building on instructional days (as determined under IC 20-30-2) for instructional purposes, averaged over the current school year and the two (2) school years immediately preceding the current school year, is at least fifty percent (50%) of:

(A) the known classroom design capacity of the school building; or

(B) if the design capacity is not known, the average maximum



1 full-time equivalent enrollment in any of the last twenty-five  
2 (25) years, as validated by records created or maintained by  
3 the department.

4 (2) The school corporation demonstrates through facts included  
5 in a resolution that the school building is being used and that it is  
6 financially prudent to continue to use the school building,  
7 considering all community resources, for a distinct student  
8 population that reasonably cannot be served through integration  
9 with the general school population, such as students attending an  
10 alternative education program (as defined in IC 20-30-8-1).  
11 However, to be an allowable use under this subdivision, the  
12 average number of full-time equivalent students using the school  
13 building in a school year for instructional purposes must be at  
14 least thirty percent (30%) of:

15 (A) the known classroom design capacity of the school  
16 building; or  
17 (B) if the design capacity is not known, the average maximum  
18 full-time equivalent enrollment in any of the last twenty-five  
19 (25) years, as validated by records created or maintained by  
20 the department; and

21 (if multiple school buildings are used for the same purposes)  
22 combining the student populations into fewer school buildings is  
23 not reasonably feasible.

24 (3) The school corporation demonstrates through facts included  
25 in a resolution that the school building is being used and that it is  
26 financially prudent to continue to use the school building,  
27 considering all community resources, for administrative or other  
28 school offices. However, to be an allowable use under this  
29 subdivision, at least fifty percent (50%) of the square footage of  
30 the school building must be used for offices, the personnel  
31 headquartered in the school building must consistently use the  
32 space for office purposes, and the occupancy cost of using the  
33 school building cannot be more than comparable office space that  
34 is available in the school district.

35 (4) The school corporation demonstrates through facts included  
36 in a resolution that the school building is being used and that it is  
37 financially prudent to continue to use the school building,  
38 considering all community resources, for storage. However, to be  
39 an allowable use under this subdivision, at least fifty percent  
40 (50%) of the square footage of the school building must be used  
41 for storage, on average the storage space must be used to capacity,  
42 and the cost of using the school building for storage must be less



1 than comparable storage space that is available in the school  
2 district.

3 (5) The school corporation demonstrates through facts included  
4 in a resolution that the school building is being used and that it is  
5 financially prudent to continue to use the school building,  
6 considering all community resources, for a combination of office  
7 space and storage. However, to be an allowable use under this  
8 subdivision, at least fifty percent (50%) of the square footage of  
9 the school building must be used for a combination of office  
10 space and storage and:

11 (A) the personnel headquartered in the school building must  
12 consistently use the office space for office purposes, and the  
13 occupancy cost of using the office space, calculated using the  
14 costs of operating the school building, cannot be more than  
15 comparable office space that is available in the school district;  
16 and

17 (B) on average, the storage space must be used to capacity and  
18 the cost of using the school building for storage must be less  
19 than comparable storage space that is available in the school  
20 district.

21 (f) Closure of a school building that is:

22 (1) owned by the school corporation or any other entity that is  
23 related in any way to, or created by, the school corporation or the  
24 governing body; or

25 (2) jointly owned in the same manner by two (2) or more school  
26 corporations;

27 shall be carried out in conformity with IC 20-26-7.1.

28 (g) Before filing a petition under subsection (h), a charter school or  
29 state educational institution that is interested in a school corporation's  
30 school building must give written notice to the school corporation to  
31 determine whether an agreement can be reached regarding the school  
32 corporation making the school building available for lease or purchase  
33 under IC 20-26-7.1.

34 (h) If an agreement is not reached within forty-five (45) days after  
35 the date that the school corporation receives the notice under  
36 subsection (g), the charter school or state educational institution may  
37 petition the department to initiate or the department on its own may  
38 initiate a proceeding for a determination as to whether a school  
39 building meets the criteria for closure under this section or a covered  
40 school building that is no longer used for classroom instruction by a  
41 school corporation should be made available under IC 20-26-7.1. If a  
42 charter school or state educational institution petitions the department



1 under this subsection, the charter school or state educational institution  
 2 must provide a copy of the petition to the applicable school  
 3 corporation.

4 (i) An interested person that is not otherwise a party to the  
 5 proceeding may intervene in the proceeding under subsection (h) as a  
 6 party. The school corporation has the burden of going forward with the  
 7 evidence and the burden of proof to demonstrate that the school  
 8 building does not meet the criteria for closure or the covered school  
 9 building is not required to be made available under IC 20-26-7.1.

10 (j) Not more than ~~sixty (60)~~ **thirty (30)** days after receiving notice  
 11 of a petition under subsection (h), the school corporation must:

12 (1) file a response to the petition that notifies the department that  
 13 the school corporation:

14 (A) is not contesting the petition; or  
 15 (B) is contesting the petition and states the facts upon which  
 16 the school corporation relies in contesting the petition; and

17 (2) provide a copy of the response to the petitioner and any  
 18 intervening party.

19 (k) If the school corporation:

20 (1) files a response that the school corporation is not contesting  
 21 the petition; or

22 (2) fails to submit a timely response under subsection (j);  
 23 the department shall issue an order granting the petition. A petition and  
 24 any response or reply are public documents.

25 (l) If a school corporation contests a petition under subsection (j),  
 26 a party to the proceeding has not more than ~~sixty (60)~~ **thirty (30)** days  
 27 after the date that the school corporation files a response under  
 28 subsection (j) to submit a reply to the school corporation's response.

29 (m) The department shall make a determination regarding a petition  
 30 under subsection (h) not more than ~~one hundred twenty (120)~~ **sixty**  
 31 **(60)** days after the date that the:

32 (1) petitioner and any intervening party have submitted a reply  
 33 under subsection (l); or

34 (2) time period to reply under subsection (l) has expired.

35 (n) **Not later than sixty (60) days after the date that the**  
 36 **department issues a determination under subsection (m)**, a school  
 37 corporation or another party to the proceeding may file with the state  
 38 board a petition requesting review of the department's determination.  
 39 Upon receipt of a petition under this subsection, the state board shall  
 40 review the department's determination. An appeal to the state board  
 41 shall be subject to the procedure described in IC 20-26-11-15(b).

42 (o) Upon the issuance of a final unappealable order granting a



1 petition, the school corporation shall make the school building  
2 available for lease or purchase in accordance with IC 20-26-7.1. **The**  
3 **school corporation has not more than ten (10) days after the date**  
4 **the notice of a final unappealable order is received by the school**  
5 **corporation to complete the lease or sale of the covered school**  
6 **building to the charter school or state educational institution.**

7 (p) If the transaction described in subsection (o) is not  
8 completed within ten (10) days, the charter school or state  
9 educational institution may bring a civil action against the school  
10 corporation. The court shall award to a charter school or state  
11 educational institution who prevails in an action under this  
12 subsection the following:

13 (1) **Injunctive relief.**

14 (2) **Liquidated damages computed at a rate of ten thousand**  
15 **dollars (\$10,000) per day for each day that exceeds the ten**  
16 **(10) day time frame described in subsection (o).**

17 (q) **A lease or sale of a covered school building to a charter**  
18 **school or a state educational institution under this section includes**  
19 **transfer of the following school corporation assets related to the**  
20 **covered school building:**

21 (1) **Furniture.**

22 (2) **Kitchen equipment.**

23 (3) **Interior and exterior maintenance equipment.**

24 (4) **Property associated with the covered school building and**  
25 **owned by the school corporation, including property used for**  
26 **school activities, athletics, recreational facilities, and parking.**

27 SECTION 10. IC 20-26-7-48, AS ADDED BY P.L.189-2023,  
28 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
29 JULY 1, 2026]: Sec. 48. (a) The following definitions apply throughout  
30 this section:

31 (1) "Current school year" refers to a year in which the governing  
32 body is required to conduct a review of school building usage  
33 under section 47(c) of this chapter.

34 (2) "Enrollment" has the meaning set forth in section 47(a)(3) of  
35 this chapter.

36 (b) This section applies to a school corporation only if:

37 (1) the total student enrollment for in-person instruction in the  
38 school corporation in the current school year is at least ten percent  
39 (10%) less than the student enrollment for in-person instruction  
40 in the school corporation in a school year that precedes the  
41 current school year by five (5); and

42 (2) the school corporation in the current school year has more



1                   than one (1) school building serving the same grade level as a  
 2                   school building subject to closure under section 47 of this chapter.

3                   (c) Each school corporation shall annually report to the department,  
 4                   in the form and on the schedule specified by the department, the  
 5                   following information:

6                   (1) A listing of all buildings owned or leased by the school  
 7                   corporation that were originally designed as a school building.

8                   (2) The following information for each building listed in  
 9                   subdivision (1):

10                   (A) Designed occupancy, regardless of current use.

11                   (B) Current use (and percentage of use) for classroom  
 12                   instruction, as special use classrooms, as office space, or as  
 13                   storage or alternatively the building's status as transitioning  
 14                   from one (1) use or combination of uses to another.

15                   (C) The following information:

16                   (i) Current average full-time equivalent student enrollment  
 17                   for in-person instruction in the school building on  
 18                   instructional days (as determined under IC 20-30-2) in a  
 19                   school year.

20                   (ii) Percentage of instructional use.

21                   (iii) Percentage of use for other purposes.

22                   (D) Self-evaluation of whether the building qualifies for  
 23                   closure under section 47 of this chapter or the school board  
 24                   otherwise intends to close the building and the date closure  
 25                   will occur (if applicable).

26                   **(d) A school corporation that fails to report the information**  
 27                   **described in subsection (c) to the department within the schedule**  
 28                   **specified by the department shall be subject to a state tuition**  
 29                   **support monthly distribution reduction of twenty-five percent**  
 30                   **(25%) until the report is provided to the department. A school**  
 31                   **corporation is entitled to recover the state tuition support lost as a**  
 32                   **result of a reduction described in this subsection.**

33                   SECTION 11. IC 20-26-7.1-3, AS AMENDED BY P.L.36-2024,  
 34                   SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 35                   JULY 1, 2026]: Sec. 3. (a) Except as provided in section 1 of this  
 36                   chapter or subsection (b), (c), or (d), before a governing body may sell,  
 37                   exchange, lease, demolish, hold without operating, or dispose of a  
 38                   covered school building, a governing body shall make available for  
 39                   lease or purchase by a charter school or state educational institution  
 40                   any covered school building owned by the school corporation or any  
 41                   other entity that is related in any way to, or created by, the school  
 42                   corporation or the governing body, including a building corporation,



1       that the governing body elects to close or the school corporation is  
2       required to close under IC 20-26-7-47, in order for the covered school  
3       building to be used by a:  
4           (1) charter school ~~to conduct prekindergarten through grade 12~~  
5           classroom instruction; for an educational purpose; or  
6           (2) state educational institution for an academic purpose.  
7       (b) The following are not required to comply with this chapter:  
8           (1) A governing body that vacates a covered school building in  
9       order to:  
10           (A) renovate the covered school building for a future  
11       allowable use by the school corporation as permitted under  
12       IC 20-26-7-47; or  
13           (B) demolish the covered school building, in whole or part,  
14       and build a new school building or an addition to a school  
15       building on the same site as the demolished building.  
16           (2) An emergency manager of a distressed school corporation  
17       under IC 6-1.1-20.3.  
18           (3) The governing body of the School City of East Chicago school  
19       corporation for the Carrie Gosch Elementary School building.  
20           (4) A school corporation that has had a designation as a distressed  
21       political subdivision under IC 6-1.1-20.3 within the previous three  
22       (3) years.  
23           (c) This section does not apply to a covered school building in  
24       which a governing body under IC 20-26-5-4(a)(7) entered a lease prior  
25       to January 1, 2019, with a state accredited nonpublic school. In  
26       addition, the governing body may, during or at the expiration of the  
27       term of such lease, sell the school building leased under  
28       IC 20-26-5-4(a)(7) to the nonpublic school at a purchase price mutually  
29       agreed to by the governing body and the nonpublic school.  
30           (d) This section does not apply to a covered school building of a  
31       school corporation to which the following apply:  
32           (1) The school corporation had, before January 1, 2023, entered  
33       into a lease or memorandum of understanding with a nonprofit  
34       organization exempt from federal taxation under Section  
35       501(c)(3) through 501(c)(7) of the Internal Revenue Code for the  
36       use of the covered school building.  
37           (2) The lease or memorandum of understanding described in  
38       subdivision (1):  
39           (A) continues in effect;  
40           (B) is renewed; or  
41           (C) is replaced by a new lease or memorandum of  
42       understanding that is entered into between the school



1 corporation and the nonprofit organization described in  
2 subdivision (1).

If at any time the conditions under subdivisions (2) and (3) are not met, the covered school building is subject to IC 20-26-7-47 and this chapter.

14 SECTION 12. IC 20-26-7.1-4, AS AMENDED BY P.L.1-2025,  
15 SECTION 188, IS AMENDED TO READ AS FOLLOWS  
16 [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) Not later than thirty (30) days  
17 after the date a governing body of a school corporation determines:

to cease using a covered school building for classroom instruction on student instructional days (as described in IC 20-30-2-2) for a school year as required under IC 20-30-2-3, a school corporation shall provide written notice to the department regarding the date that the covered school building has ceased or will cease being used for classroom instruction as described in this subsection.

38       (c) If a school corporation does not provide notice to the department  
39       under subsection (a), any claim for exclusion from a requirement to  
40       make the covered school building available under this chapter is  
41       waived.

42 (d) Not later than fifteen (15) days after the date that the department



1 receives a notice from a school corporation under subsection (a), the  
2 department shall provide written notice to all interested persons  
3 regarding the notice from the school corporation submitted under  
4 subsection (a).

5 (e) If a notice from a school corporation under subsection (a)  
6 acknowledges that the covered school building will be made available  
7 in accordance with this chapter, the department's notice to interested  
8 persons shall provide that any notice of interest by an interested person  
9 for the covered school building must be submitted to the department  
10 not later than sixty (60) days after the date the interested person  
11 receives the department's notice under subsection (d).

12 (f) If a notice from a school corporation under subsection (a)  
13 includes a claim that the covered school building will not be made  
14 available under this chapter, an interested person may submit to the  
15 department, not later than thirty (30) days after the date the interested  
16 person receives the notice from the department under subsection (d),  
17 a rebuttal to the factual and legal basis for the school corporation's  
18 contention that the covered school building is not required to be made  
19 available under this chapter.

20 (g) The department shall, not later than sixty (60) days after the date  
21 that a rebuttal is due under subsection (f), issue a determination to the  
22 school corporation and interested persons as to whether the covered  
23 school building must be made available under this chapter. The  
24 department shall publish a copy of the department's determination on  
25 the department's website.

26 (h) Not later than ~~thirty (30)~~ **sixty (60)** days after the date that the  
27 department issues a determination under subsection (g), a school  
28 corporation or interested person may appeal the determination to the  
29 state board. An appeal to the state board shall be subject to the  
30 procedure described in IC 20-26-11-15(b) **and shall be considered**  
31 **final and binding on the parties to the proceeding.**

32 (i) **The state board shall issue a final determination on an appeal**  
33 **filed under subsection (h) not later than forty-five (45) days after**  
34 **the date on which an appeal is filed.**

35 (j) **If the school corporation or interested person chooses to**  
36 **appeal a final determination issued by the state board under**  
37 **subsection (i), the appeal may only be filed in the court of appeals**  
38 **and must be filed not later than thirty (30) days after the date the**  
39 **final determination is issued by the state board. A school**  
40 **corporation that files an appeal of the state board's final**  
41 **determination and is determined to be the nonprevailing party by**  
42 **the court of appeals shall be responsible for the reasonable**



**attorney's fees incurred by the prevailing party.**

(+) (k) Not later than fifteen (15) days after:

(1) the time expires for an appeal to the state board of a department determination under subsection (g) or IC 20-26-7-47 that a covered school building be made available; or  
(2) a final determination by the state board that a covered school

(2) a **final** determination by the state board that a covered school building is to be made available is issued;

the governing body shall take the actions specified by subsection (j).

**(I).** If the governing body fails to take the actions, the department shall request that the attorney general enforce the order under section 9(a) of this chapter.

(f) (1) If Not later than fifteen (15) days after the department provides notice to all interested parties under subsection (d) that a covered school building is to be made available, the governing body shall do the following:

(1) Make the covered school building available for inspection by a charter school or state educational institution that notifies the department that it is interested in leasing or purchasing the covered school building.

(2) Make the following information available to a charter school or state educational institution described in subdivision (1):

(A) Estimates of the operating expenses for the covered school building for the past three (3) years.

(B) Written information regarding the condition of the covered school building, including the age of the roof and the HVAC system, and any known conditions which, in the governing body's opinion, require prompt repair or replacement

(C) A legal description of the property.

(k) (m) If the governing body fails to take the actions required under subsection (j), (l), a charter school having notified the school corporation of its interest in the covered school building is entitled to an injunction requiring the governing body to take the actions under subsection (j), (l).

(+) (n) The school corporation shall lease the covered school building to a charter school or state educational institution for one dollar (\$1) per year for as long as the state educational institution uses the covered school building for an academic purpose or the charter school uses the covered school building for ~~classroom instruction, an educational purpose~~, for a term at the state educational institution's or charter school's discretion, or sell the covered school building for one dollar (\$1), if the charter school or state educational institution does the following:



(1) Within ninety (90) days of receiving the department's notice under subsection (d), a charter school or state educational institution must submit a preliminary request to purchase or lease the covered school building.

(2) Subject to subsection (m), (o), within ninety (90) days of receiving the department's notice under subsection (d), a charter school or state educational institution must submit to the school corporation the following information:

(A) The name of the charter school or state educational institution that is interested in leasing or purchasing the covered school building.

(B) A time frame, which may not exceed three (3) years from the date that the covered school building is to be closed, no longer used, or no longer occupied, in which the:

(i) charter school intends to begin providing classroom instruction in using the covered school building for an educational purpose; or

(ii) state educational institution intends to begin using the covered school building for an academic purpose.

(C) A resolution, adopted by the board of the charter school or state educational institution stating that the board of the charter school or state educational institution has determined that, after the charter school or state educational institution has made any necessary repairs or modifications, the covered school building will be sufficient to meet the charter school's or state educational institution's needs and can be operated within the charter school's or state educational institution's budget.

**(m) (o)** If the department does not receive any preliminary requests to purchase or lease a covered school building within the time frame described in subsection **(t)(1)**, **(n)(1)**, the department shall send notification to the school corporation that the department has not received any preliminary requests to purchase or lease the covered school building. Upon receipt of the notification under this subsection, the school corporation may sell or lease the covered school building to the county or municipal government in which the school corporation is located for a mutually agreed upon price. If the county or municipal government does not purchase or lease the covered school building, the school corporation may sell or otherwise dispose of the covered school building in accordance with IC 36-1-11, IC 20-25-4-14, and IC 20-26-5-4(a)(7).

(m) (p) If only one (1) charter school submits a preliminary request



1 to purchase or lease the covered school building, the department shall  
2 notify the school corporation of the identity of the charter school and  
3 direct the school corporation to complete a sale or lease to the charter  
4 school in accordance with subsection (r). (t). In the event that two (2)  
5 or more charter schools submit a preliminary request to purchase or  
6 lease a covered school building within the time frame described in  
7 subsection (t)(1); (n)(1), the department shall send notification to each  
8 interested person and the school corporation that the department has  
9 received two (2) or more preliminary requests under this section. An  
10 authorizer committee shall be established, with each statewide  
11 authorizer that has authorized one (1) or more charter schools  
12 appointing a representative, and the committee shall establish the  
13 chairperson and procedures for the committee. Within sixty (60) days  
14 of receiving notice under this subsection, the committee shall select  
15 which charter school may proceed under subsection (t) to purchase  
16 or lease the covered school building or determine if two (2) or more  
17 charter schools should co-locate within the covered school building.  
18 The committee shall base the committee's decision on the following  
19 criteria:

20 (1) Preference shall be given to existing charter schools that have  
21 a proven track record of student academic performance.  
22 (2) If two (2) or more charter schools of proven academic  
23 performance are competing and only one (1) charter school is  
24 operating in the county in which the covered school building is  
25 located, the charter school in the same county as the covered  
26 school building shall be given preference.

27 In the event that the committee determines that two (2) or more charter  
28 schools should co-locate in the covered school building, the charter  
29 schools have sixty (60) days to submit a memorandum of  
30 understanding stating that the charter schools shall be jointly and  
31 severally liable for the obligations related to the sale or lease of the  
32 covered school building, and specifying how the charter schools will  
33 utilize the covered school building and share responsibility for  
34 operational, maintenance, and renovation expenses. If the charter  
35 schools are unable to agree, the charter schools shall be deemed to have  
36 revoked their prior request regarding the lease or sale of the covered  
37 school building. The committee shall give notice of the committee's  
38 decision to the school corporation and each interested person. A charter  
39 school that is not selected by the committee may appeal the decision to  
40 the state board not more than thirty (30) days after receipt of the  
41 committee's decision. The state board shall issue a final order in the  
42 appeal not more than sixty (60) days after receipt of a properly filed



1 appeal. Notice of the appeal and the final order in the appeal must be  
 2 given to the school corporation.

3 (e) (q) If a charter school does not submit a preliminary request to  
 4 purchase or lease the covered school building and only one (1) state  
 5 educational institution submits a preliminary request to purchase or  
 6 lease the covered school building, the department shall:

7 (1) notify the school corporation of the identity of the state  
 8 educational institution; and

9 (2) direct the school corporation to complete a sale or lease to the  
 10 state educational institution in accordance with subsection (r). (t).

11 (p) (r) If one (1) or more state educational institutions submit  
 12 preliminary requests to purchase or lease a covered school building, a  
 13 selection committee shall be established consisting of one (1) member  
 14 appointed by the executive of the largest city or town in the county in  
 15 which the covered school building is located, one (1) member  
 16 appointed by the city or town council of the largest city or town in the  
 17 county in which the covered school building is located, one (1) member  
 18 appointed by the county commissioners of the county in which the  
 19 covered school building is located, one (1) member appointed by the  
 20 county council of the county in which the covered school building is  
 21 located, and one (1) member appointed by the chamber of commerce  
 22 of the county in which the covered school building is located.

23 (e) (s) Not later than sixty (60) days after the date that a member is  
 24 appointed under subsection (p), (r), the committee shall:

25 (1) select which state educational institution may proceed to  
 26 purchase or lease the covered school building; or

27 (2) determine whether more than one (1) state educational  
 28 institution should co-locate within the covered school building.

29 In making the committee's determination, the committee shall give  
 30 preference to a state educational institution whose proposed use of the  
 31 covered school building is assessed as having the greatest educational  
 32 benefit for prekindergarten through grade 12 education. A committee  
 33 determination under this subsection may not be appealed.

34 (r) (t) A school corporation shall lease the covered school building  
 35 for one dollar (\$1) per year to the charter school or state educational  
 36 institution for as long as the:

37 (1) charter school uses the covered school building for classroom  
 38 instruction for any combination of kindergarten through grade 12;  
 39 or

40 (2) state educational institution uses the covered school building  
 41 for an academic purpose.

42 The term of the lease shall be established at the charter school's or state



1 educational institution's discretion and include an option for the state  
2 educational institution or charter school to purchase the covered school  
3 building for one dollar (\$1). Alternatively, the school corporation shall  
4 sell the covered school building to the charter school or state  
5 educational institution for one dollar (\$1), if the charter school or state  
6 educational institution has met the requirements set forth in subsection  
7 ~~(t)~~ (n) and uses the covered school building in the manner prescribed  
8 by this subsection. If the charter school or state educational institution  
9 selected to lease or purchase the covered school building has met the  
10 requirements under subsection ~~(t)~~ (n), the school corporation has not  
11 more than ~~ninety (90)~~ ten (10) days after the date notice of a final  
12 unappealable decision is received by the school corporation to  
13 complete the lease or sale of the covered school building to the charter  
14 school or state educational institution. If the transaction is not  
15 completed within ~~ninety (90)~~ ten (10) days, the department or the  
16 selected charter school or state educational institution may, under  
17 section 9 of this chapter, request that the attorney general enforce the  
18 sale or lease or may file suit to enforce the sale or lease. If a charter  
19 school or state educational institution has not met the requirements  
20 under subsection ~~(t)~~ (n), the school corporation may sell or otherwise  
21 dispose of the covered school building in accordance with IC 36-1-11,  
22 IC 20-25-4-14, and IC 20-26-5-4(a)(7).

23 **(u) In addition to a request that the attorney general enforce the**  
24 **sale or lease or file suit to enforce the sale or lease of a covered**  
25 **school building under subsection (t), if the transaction described in**  
26 **subsection (t) is not completed within ten (10) days after the date**  
27 **the notice of a final unappealable decision is received by the school**  
28 **corporation, the charter school or state educational institution may**  
29 **bring a civil action against the school corporation. The court shall**  
30 **award to a charter school or state educational institution that**  
31 **prevails in an action under this subsection the following:**

- 32 **(1) Injunctive relief.**
- 33 **(2) Liquidated damages computed at a rate of ten thousand**
- 34 **dollars (\$10,000) per day for each day that exceeds the ten**
- 35 **(10) day time frame described in subsection (t).**

36 **(v) A lease or sale of a covered school building to a charter**  
37 **school or a state educational institution under this section includes**  
38 **transfer of the following school corporation assets related to the**  
39 **covered school building:**

- 40 **(1) Furniture.**
- 41 **(2) Kitchen equipment.**
- 42 **(3) Interior and exterior maintenance equipment.**



**(4) Property associated with the covered school building and owned by the school corporation, including property used for school activities, athletics, recreational facilities, and parking.**

SECTION 13, IC 20-26-7.1-5, AS AMENDED BY P.L.135-2025,

SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5. (a) If:

(1) a covered school building is sold to a charter school or state educational institution under section 4 of this chapter; and

(2) the charter school or state educational institution described in subdivision (1) no longer intends to use the covered school building for the purposes described in section 4~~(1)~~ **4(n)** of this chapter;

the charter school or state educational institution shall offer to transfer the covered school building back to the school corporation that initially sold the covered school building to the charter school or state educational institution.

(b) If a school corporation described in subsection (a) declines the offer to transfer a covered school building back to the school corporation, the charter school or state educational institution may sell or transfer the covered school building to a third party. If a charter school or state educational institution sells or transfers a covered school building to a third party under this subsection, the charter school or state educational institution must transfer an amount equal to the gain in the property minus the adjusted basis (including costs of improvements to the covered school building) to the school corporation that initially sold the covered school building to the charter school or state educational institution. Gain and adjusted basis shall be determined in the manner prescribed by the Internal Revenue Code and the applicable Internal Revenue Service regulations and guidelines.

(c) A charter school or state educational institution that purchases a covered school building assumes total control of the covered school building and must maintain the covered school building, including utilities, insurance, maintenance, and repairs. Except as provided in subsection (d), in the event a:

(1) charter school does not use the covered school building for classroom instruction; an educational purpose; or

(2) state educational institution does not use the covered school building for an academic purpose;

within **two (2)** **three (3)** years after acquiring the covered school building, the covered school building shall revert to the school corporation, which may sell or otherwise dispose of the covered school building under IC 36-1-11.



1 (d) In the event a:

2 (1) charter school does not use the covered school building for

3 ~~classroom instruction; an educational purpose; or~~

4 (2) state educational institution does not use the covered school

5 building for an academic purpose;

6 as a result of being engaged in ongoing renovations for an acquired

7 covered school building, within ~~two (2)~~ **three (3)** years after acquiring

8 an occupancy permit for the covered school building, the covered

9 school building shall revert to the school corporation, which may sell

10 or otherwise dispose of the covered school building under IC 36-1-11.

11 SECTION 14. IC 20-26-7.1-5.3, AS AMENDED BY P.L.36-2024,

12 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

13 JULY 1, 2026]: Sec. 5.3. (a) This section applies to a covered school

14 building to which the following apply:

15 (1) The covered school building was purchased or leased by a

16 charter school under this chapter.

17 (2) The total student enrollment for in-person instruction in the

18 school building in the current school year is at least ten percent

19 (10%) less than the student enrollment for in-person instruction

20 in the school building in a school year that precedes the current

21 school year by five (5).

22 (b) A school corporation may not petition the department under

23 subsection (c) within the first five (5) years after a charter school

24 purchased or initially leased a covered school building under this

25 chapter.

26 (c) Subject to subsection (f), if:

27 (A) the number of full-time equivalent students enrolled for

28 in-person instruction in a school building on instructional days (as

29 determined under IC 20-30-2) for instructional purposes for a

30 school year is not at least fifty percent (50%) of the classroom

31 design capacity of the school building; **and**

32 (B) **it is consistent with the needs of the school corporation's**

33 **strategic plan;**

34 the school corporation that leased or sold the school building to the

35 charter school may file a petition with the department requesting that

36 the charter school transfer the school building back to the school

37 corporation.

38 (d) Before filing a petition under subsection (c), the school

39 corporation must give written notice to the charter school to determine

40 whether an agreement can be reached regarding transferring the school

41 building to the school corporation.

42 (e) A petition filed under this section is subject to the same



1       procedures under IC 20-26-7-47 as a petition filed under  
 2       IC 20-26-7-47(h).

3       (f) For purposes of determining classroom design capacity under  
 4       subsection (c), if a charter school reconfigures a school building after  
 5       the charter school leases or purchases the school building, the  
 6       classroom design capacity must be determined based on the  
 7       reconfigured school building and not the classroom design capacity of  
 8       the school building at the time of the lease or purchase.

9       (g) **A school corporation that receives a school building back  
 10      from a charter school pursuant to a petition filed under subsection  
 11      (c) shall pay the charter school for capital improvements the  
 12      charter school made to the school building minus depreciation.**

13      SECTION 15. IC 20-32-6.5-3, AS ADDED BY P.L.180-2025,  
 14      SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 15      JULY 1, 2026]: Sec. 3. (a) Beginning with the 2026-2027 school year,  
 16      if a school determines that a student in kindergarten through grade 8 is  
 17      at risk of not achieving grade level proficiency in mathematics as  
 18      determined by an analysis of the student's data from:

19       (1) a grade level screener approved by the department; or  
 20       (2) a through-year statewide assessment;  
 21      the school must provide intervention that meets the requirements under  
 22      subsection (b).

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

25       (1) The intervention includes a multitiered system of support that  
 26       progresses from less to more intensive support based on the  
 27       student's individual needs.

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

30       (3) The intervention is:

31       (A) targeted;  
 32       (B) differentiated; and  
 33       (C) supplemental to Tier I instruction.

34       (4) The intervention:

35       (A) is aligned with evidence based instructional strategies to  
 36       promote conceptual understanding, procedural fluency, and  
 37       real world problem solving; and

38       (B) allows a student opportunities to interact, show progress,  
 39       and demonstrate understanding through rigorous grade level  
 40       content.

41       (5) The intervention includes continual assessment and in depth  
 42       analysis of each student's data to inform the flexible movement in



1 and out of Tiers II and III.

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

6 **(1) Specific information about how the student is performing.**

7 **(2) Information about the intervention the student will receive**  
 8 **from the school.**

9 **(3) A list or description of any recommended resources**  
 10 **available for use at home to support the student's academic**  
 11 **growth in mathematics.**

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

14 SECTION 16. IC 20-43-13-4, AS AMENDED BY P.L.213-2025,  
 15 SECTION 197, IS AMENDED TO READ AS FOLLOWS  
 16 [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) Except as provided in  
 17 subsections (c) and (d), the complexity index is the percentage of the  
 18 school corporation's students who were receiving Supplemental  
 19 Nutrition Assistance Program (SNAP) benefits, Temporary Assistance  
 20 for Needy Families (TANF) benefits, or foster care services as of  
 21 October 1 in the school year ending in the later of:

22 **(1) 2025; or**

23 **(2) the first year of operation of the school corporation.**

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

26 **(c) Except as provided in subsection (d), the complexity index for**  
 27 **a school corporation that has entered into an agreement with one (1) or**  
 28 **more charter schools to participate as an innovation network charter**  
 29 **school under IC 20-25.7-5 for a state fiscal year is equal to the result**  
 30 **using the following formula:**

31 **STEP ONE: Determine:**

32 **(A) the school corporation's enrollment; minus**

33 **(B) the enrollment **of students described in****  
 34 ****IC 20-25.7-5-2(b)(2)** of each participating innovation network**  
 35 **charter school.**

36 **STEP TWO: Determine the number of students in the school**  
 37 **corporation who were receiving Supplemental Nutrition**  
 38 **Assistance Program (SNAP) benefits, Temporary Assistance for**  
 39 **Needy Families (TANF) benefits, or foster care services as of**  
 40 **October 1 in the school year ending in 2025, not including**  
 41 **students enrolled in each participating innovation network charter**  
 42 **school.**



1 STEP THREE: Divide the result of STEP TWO by the result of  
2 STEP ONE.

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

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

12 (A) 2025; or  
13 (B) the first year of operation of the participating innovation  
14 network charter school.

15 STEP SIX: Divide the result of STEP FIVE by the result of STEP  
16 FOUR.

17 STEP SEVEN: For each participating innovation network charter  
18 school, determine the greater of:  
19 (A) the result of STEP THREE; or  
20 (B) the result of STEP SIX.

21 STEP EIGHT: For each participating innovation network charter  
22 school, multiply the result of STEP SEVEN by the result of STEP  
23 FOUR.

24 STEP NINE: Determine the sum of:  
25 (A) the result of STEP TWO; plus  
26 (B) the results of STEP EIGHT, for each participating  
27 innovation network charter school.

28 STEP TEN: Determine the sum of:  
29 (A) the result of STEP ONE; plus  
30 (B) the results of STEP FOUR for each participating  
31 innovation network charter school.

32 STEP ELEVEN: Divide the STEP NINE result by the STEP TEN  
33 result.  
34 (d) If the complexity index of a participating innovation network  
35 charter school that was established before January 1, 2016, is, for the  
36 current school year, greater than the complexity index for the school  
37 corporation with which the innovation network charter school has  
38 contracted, the complexity index of the participating innovation  
39 network charter school is determined as described in IC 20-25.7-5-2(e).

40 SECTION 17. IC 20-51-1-5, AS AMENDED BY P.L.162-2024,  
41 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
42 JULY 1, 2026]: Sec. 5. "Eligible student" refers to an individual who:



- (1) has legal settlement in Indiana;
- (2) is at least four (4) years of age and less than twenty-two (22) years of age on October 1 of the applicable school year; **and**
- (3) either has been or is currently enrolled in a participating school. **and**
- (4) is a member of a household with an annual income of not more than four hundred percent (400%) of the amount required for the individual to qualify for the federal free or reduced price lunch program.

9 lunch program.

10 SECTION 18. IC 20-51.4-4-1, AS AMENDED BY P.L.213-2025,

11 SECTION 211, IS AMENDED TO READ AS FOLLOWS

12 [EFFECTIVE JULY 1, 2026]: Sec. 1. (a) After June 30, 2022, a parent

13 of an eligible student or an emancipated eligible student may establish

14 an Indiana education scholarship account for the eligible student by

15 entering into a written agreement with the department on a form

16 prepared by the department. The department shall establish a date by

17 which an application to establish an ESA account for the upcoming

18 school year must be submitted. However, for a school year beginning

19 after July 1, 2022, applications must be submitted for an eligible

20 student not later than September 1 for the immediately following

21 school year. The ESA account of an eligible student shall be made in

22 the name of the eligible student. The department shall make the

23 agreement available on the website of the department. To be eligible,

24 a parent of an eligible student or an emancipated eligible student

25 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 this chapter**;
- (4) the parent of the eligible student or the emancipated eligible student will use part of the money in the ESA account:
  - (A) for the eligible student's study in the subject of reading, grammar, mathematics, social studies, or science; or



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

- (i) individualized education program;
- (ii) service plan developed under 511 IAC 7-34;
- (iii) choice special education plan developed under 511 IAC 7-49; or
- (iv) plan developed under Section 504 of the federal Rehabilitation Act of 1973, 29 U.S.C. 794;

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

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

- (A) individualized education program developed under IC 20-35;
- (B) service plan developed under 511 IAC 7-34;
- (C) choice special education plan developed under 511 IAC 7-49; or
- (D) plan developed under Section 504 of the federal Rehabilitation Act of 1973, 29 U.S.C. 794.

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

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

(d) Except as provided in subsections (e) and (f), an agreement made under this section is valid for one (1) school year while the eligible student is in kindergarten through grade 12 and may be renewed annually. Upon graduation, or receipt of a certificate of completion under the eligible student's individualized education program, the eligible student's ESA account is terminated.

(e) An agreement entered into under this section terminates



1 automatically for an eligible student if:  
2       (1) the eligible student no longer resides in Indiana while the  
3       eligible student is eligible to receive grants under section 2 of this  
4       chapter; or  
5       (2) the ESA account is not renewed within three hundred  
6       ninety-five (395) days after the date the ESA account was either  
7       established or last renewed.  
8 If an ESA account is terminated under this section, money in the  
9 eligible student's ESA account, including any interest accrued, ~~reverts~~  
10 **does not revert** to the state general fund **and remains available to**  
11 **provide grants to eligible students under this chapter.**  
12 (f) An agreement made under this section for an eligible student  
13 while the eligible student is in kindergarten through grade 12 may be  
14 terminated before the end of the school year if the parent of the eligible  
15 student or the emancipated eligible student notifies the department in  
16 a manner specified by the department.  
17 (g) A distribution made to an ESA account under section 2 of this  
18 chapter is considered tax exempt as long as the distribution is used for  
19 an ESA qualified expense. The amount is subtracted from the  
20 definition of adjusted federal gross income under IC 6-3-1-3.5 to the  
21 extent the distribution used for the ESA qualified expense is included  
22 in the taxpayer's adjusted federal gross income under the Internal  
23 Revenue Code.  
24 (h) The department shall establish a student test number as  
25 described in IC 20-19-3-9.4 for each eligible student.  
26 (i) A student described in IC 20-51.4-2-4(3)(B) may not use the  
27 money deposited into the eligible student's ESA account for ESA  
28 qualified expenses described in IC 20-51.4-2-9(a)(3),  
29 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).  
30       SECTION 19. IC 20-51.4-4-2, AS AMENDED BY P.L.213-2025,  
31 SECTION 212, IS AMENDED TO READ AS FOLLOWS  
32 [EFFECTIVE JULY 1, 2026]: Sec. 2. (a) An eligible student who  
33 currently maintains an ESA account is entitled to an ESA annual grant  
34 amount for each school year until the student graduates or obtains a  
35 certificate of completion under the student's individualized education  
36 program. An eligible student may not receive a grant under this section  
37 after graduating or obtaining a certificate of completion. The ESA  
38 annual grant amount shall be paid from the ESA program fund. The  
39 department shall deposit the ESA annual grant amount under this  
40 section, in quarterly deposits, into an eligible student's ESA account.  
41       (b) Except as provided in subsection (c), at the end of the year in  
42 which an ESA account is established, the parent of an eligible student



1 or the emancipated eligible student may roll over for use in a  
 2 subsequent year a maximum of one thousand dollars (\$1,000).  
 3 However, for each year thereafter, the parent of the eligible student or  
 4 the emancipated eligible student may roll over one thousand dollars  
 5 (\$1,000) plus any amount rolled over in a previous year.

6 (c) An eligible student's ESA account shall terminate the later of:  
 7 (1) the date the student graduates high school; or  
 8 (2) July 1 of the year in the year which the student graduates high  
 9 school.

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

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

21 (b) The department shall administer the ESA program fund.  
 22 (c) The ESA program fund consists of the following:  
 23 (1) Appropriations by the general assembly.  
 24 (2) Interest deposited in the ESA program fund under subsection  
 25 (d).

26 (d) The treasurer of state shall invest money in the ESA program  
 27 fund not currently needed to meet the obligations of the ESA program  
 28 fund in the same manner as other public money may be invested.  
 29 Interest that accrues from these investments shall be deposited in the  
 30 ESA program fund.

31 (e) Money in the ESA program fund at the end of a state fiscal year  
 32 ~~reverts does not revert~~ to the state general fund **and remains in the**  
 33 **fund for the purposes of the fund.**

34 SECTION 21. IC 20-51.4-4-3.5, AS AMENDED BY P.L.213-2025,  
 35 SECTION 214, IS AMENDED TO READ AS FOLLOWS  
 36 [EFFECTIVE JULY 1, 2026]: Sec. 3.5. (a) The Indiana education  
 37 scholarship account administration fund is established for the purpose  
 38 of accepting money for the Indiana education scholarship account  
 39 program to support administration of the ESA program.

40 (b) The department shall administer the fund.  
 41 (c) The fund consists of the following:  
 42 (1) Appropriations by the general assembly.



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

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

(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.**

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

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

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

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

(3) the parent of the career scholarship student or the emancipated career scholarship student will use the money in the CSA account for the career scholarship student to attend one (1) or more of the sequences, courses, apprenticeships, or programs of study designated and approved under section 6(a) of this chapter.

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

(d) Except as provided under subsection (f), a CSA account must be



1       established under subsection (a) by a parent of a career scholarship  
2       student or an emancipated career scholarship student for a school year  
3       not later than thirty (30) days after the date that the department  
4       approves an application submitted under subsection (a).

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

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

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

14       (f) If:

15               (1) a parent of a career scholarship student or an emancipated  
16          career scholarship student enters into a written agreement with the  
17          department on a form under subsection (a); and  
18               (2) the career scholarship student participates in the ESA program  
19          under this article;

20       the parent or emancipated career scholarship student must participate  
21       in the CSA program using the student's ESA account instead of  
22       establishing a CSA account. However, if the student ceases to  
23       participate in the ESA program, the parent of the student or the  
24       emancipated student must establish a CSA account to participate in the  
25       CSA program.

26       SECTION 23. IC 20-51.4-4.5-2, AS AMENDED BY P.L.213-2025,  
27       SECTION 221, IS AMENDED TO READ AS FOLLOWS  
28       [EFFECTIVE JULY 1, 2026]: Sec. 2. (a) An agreement entered into  
29       under section 1 of this chapter terminates automatically for a career  
30       scholarship student if:

31               (1) the career scholarship student no longer resides in Indiana  
32       while the career scholarship student is eligible to receive grants  
33       under section 3 of this chapter; or  
34               (2) the CSA account is not renewed within three hundred  
35       ninety-five (395) days after the date the CSA account was either  
36       established or last renewed.

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

42       (b) An agreement made under section 1 of this chapter for a career



1 scholarship student while the career scholarship student is in grades 10  
 2 through 12 may be terminated before the end of the school year if the  
 3 parent of the career scholarship student or the emancipated career  
 4 scholarship student notifies the department in a manner specified by  
 5 the department.

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

9       (1) a CSA qualified expense; or  
 10      (2) an ESA qualified expense if the career scholarship student is  
 11        participating in the ESA program.

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

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

22      SECTION 24. IC 20-51.4-4.5-3, AS AMENDED BY P.L.213-2025,  
 23      SECTION 222, IS AMENDED TO READ AS FOLLOWS  
 24      [EFFECTIVE JULY 1, 2026]: Sec. 3. (a) A career scholarship student  
 25        who currently maintains a CSA account or an ESA account and  
 26        participates in the CSA program is entitled to an annual grant amount  
 27        for each school year until the student:

28        (1) graduates; or  
 29        (2) obtains:  
 30           (A) a certificate of completion under the student's  
 31            individualized education program; or  
 32           (B) an Indiana high school equivalency diploma under  
 33            IC 22-4.1-18.

34        (b) A career scholarship student may not receive a grant under this  
 35        section after graduating, receiving an Indiana high school equivalency  
 36        diploma, or obtaining a certificate of completion. The CSA annual  
 37        grant amount shall be paid from the CSA program fund. The  
 38        department shall deposit the CSA annual grant amount under this  
 39        section, in quarterly deposits, into a career scholarship student's:

40           (1) CSA account; or  
 41           (2) ESA account if the student participates in the ESA program;  
 42        in a manner established by the department.



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

18 SECTION 25. IC 20-51.4-4.5-4, AS AMENDED BY P.L.213-2025,  
19 SECTION 223, IS AMENDED TO READ AS FOLLOWS  
20 [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) The career scholarship  
21 account program fund is established for the purpose of providing grants  
22 to career scholarship students under the CSA program.

23 (b) The department shall administer the CSA program fund.

24 (c) The CSA program fund consists of the following:

25 (1) Appropriations by the general assembly.  
26 (2) Interest deposited in the CSA program fund under subsection  
27 (d).

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

33 (e) Money in the CSA program fund at the end of a state fiscal year  
34 reverts does not revert to the state general fund and remains in the  
35 fund for the purposes of the fund.



(b) The fund consists of the following:

- (1) Appropriations made by the general assembly.
- (2) Gifts, grants, devises, or bequests made to the commission to achieve the purposes of the fund.

(c) The commission shall administer the fund.

(d) The expenses of administering the fund shall be paid from money in the fund.

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

(f) Money in the fund at the end of a state fiscal year does not revert to the state general fund but remains available to be used for the purposes of this chapter.

SECTION 27. IC 21-18-15.1-6, AS ADDED BY P.L.74-2019, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 6. The commission may award grants under the pilot program to an applicant that meets the following requirements:

- (1) The applicant is a school corporation, **or** charter school, **or state accredited nonpublic school** that has partnered with one (1) approved postsecondary educational institution to establish and implement a teacher residency program.
- (2) The applicant submits a teacher residency plan that:
  - (A) establishes a teacher residency program in which:
    - (i) program participants receive teacher training under the teacher residency program for a one (1) year period; and
    - (ii) program participants and teachers who act as mentors to program participants under the teacher residency program receive stipends;
  - (B) includes the name and contact information of the approved postsecondary educational institution with which the school corporation, **or** charter school, **or state accredited nonpublic school** has partnered; and
  - (C) includes any other information regarding the teacher residency program that is required by the commission.
- (3) Any other requirements established by the commission.

SECTION 28. IC 21-18-15.1-7, AS ADDED BY P.L.74-2019, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 7. A school corporation, **or** charter school, **or state accredited nonpublic school** that is awarded a grant under section 6 of this chapter:

- (1) shall provide stipends to:



- (A) program participants; and
- (B) teachers who act as mentors to program participants under the teacher residency program; and

(2) may use money from the grant award to pay the approved postsecondary educational institution with which the school corporation, **or charter school, or state accredited nonpublic school** has partnered for administrative costs incurred by the approved postsecondary educational institution in developing and implementing the teacher residency program.

10 SECTION 29. IC 21-18-15.1-8, AS ADDED BY P.L.74-2019,  
11 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
12 JULY 1, 2026]: Sec. 8. The commission shall, upon request, provide  
13 technical assistance to school corporations, charter schools, **state**  
14 **accredited nonpublic schools**, and approved postsecondary  
15 educational institutions participating in the pilot program in the  
16 development of competency based curriculum and support systems for  
17 program participants.

18 SECTION 30. IC 21-18-15.1-9, AS AMENDED BY P.L.214-2025,  
19 SECTION 213, IS AMENDED TO READ AS FOLLOWS  
20 [EFFECTIVE JULY 1, 2026]: Sec. 9. (a) The commission shall  
21 annually prepare a report that includes the following:

22 (1) Information regarding school corporations, **and** charter  
23 schools, **and state accredited nonpublic schools** that participate  
24 in the pilot program.

25 (2) The annual retention rate of teachers employed by a school  
26 corporation, or charter school, or state accredited nonpublic  
27 school who completed the school corporation's, or charter  
28 school's, or state accredited nonpublic school's teacher  
29 residency program within the immediately preceding five (5)  
30 years.

31 (3) The number of program participants who were not employed  
32 by a school corporation, **or** charter school, **or state accredited**  
33 **nonpublic school** after completing the school corporation's, **or**  
34 charter school's, **or state accredited nonpublic school's** teacher  
35 residency program.

36 (4) The number of teachers who:

(A) completed a teacher residency program under this chapter in the immediately preceding five (5) years; and

(B) took leadership roles, as determined by the commission, during their employment with a school corporation, or charter school, or state accredited nonpublic school in Indiana.

(b) Not later than July 1 of each year, the commission shall submit



- 1        the report described in subsection (a) to the following:
- 2            (1) The governor.
- 3            (2) The general assembly in an electronic format under IC 5-14-6.

