



January 16, 2026

## SENATE BILL No. 239

DIGEST OF SB 239 (Updated January 15, 2026 9:08 am - DI 152)

**Citations Affected:** IC 4-21.5; IC 6-1.1; IC 20-19; IC 20-24; IC 20-25.7; IC 20-26; IC 20-32; IC 20-43; IC 20-51; IC 21-18.

**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 (Continued next page)

**Effective:** July 1, 2026.

### Rogers

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

January 15, 2026, amended, reported favorably — Do Pass; reassigned to Committee on Appropriations.

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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 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. Allows state accredited nonpublic schools to apply for the teacher residency grant pilot program.



January 16, 2026

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

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

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

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

## SENATE BILL No. 239

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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).

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(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:**

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

4           **(B) are enrolled** in the participating innovation network  
 5           charter school;

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.

19      (5) The amount of money levied as property taxes that will be  
 20      distributed by the school corporation to the organizer.

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).

28      (c) If an organizer and ~~the~~ a board enter into an agreement under  
 29      subsection (a), the organizer and the board shall notify the department  
 30      that the agreement has been made under this section within thirty (30)  
 31      days after the agreement is entered into.

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:

41           **(A) treat the participating innovation network charter school**  
 42           in the same manner as a school operated by the school





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

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

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

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

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



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

- (1) reside within the geographic boundaries of the school corporation; and
- (2) are enrolled in the participating innovation network charter school.

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

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

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

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

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

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



(3) allow the siblings of a student alumnus or a current student who attends the participating innovation network charter school to attend the charter school;

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

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

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

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

(1) the student:

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

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

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

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

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

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

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

For purposes of subdivision (2)(A), student discipline received under IC 20-33-8-25(b)(7) for a violation described in subdivision (2)(B)



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 forth in 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



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

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

**(1) Injunctive relief.**

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

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

**(1) Furniture.**

**(2) Kitchen equipment.**

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

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

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

(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 a school building subject to closure under section 47 of this chapter.

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

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

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

(A) Designed occupancy, regardless of current use.

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

(C) The following information:

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

(ii) Percentage of instructional use.

(iii) Percentage of use for other purposes.

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

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

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



that the governing body elects to close or the school corporation is required to close under IC 20-26-7-47, in order for the covered school building to be used by a:

- (1) charter school ~~to conduct prekindergarten through grade 12 classroom instruction;~~ **for an educational purpose;** or
- (2) state educational institution for an academic purpose.

(b) The following are not required to comply with this chapter:

- (1) A governing body that vacates a covered school building in order to:

- (A) renovate the covered school building for a future allowable use by the school corporation as permitted under IC 20-26-7-47; or

- (B) demolish the covered school building, in whole or part, and build a new school building or an addition to a school building on the same site as the demolished building.

- (2) An emergency manager of a distressed school corporation under IC 6-1.1-20.3.

- (3) The governing body of the School City of East Chicago school corporation for the Carrie Gosch Elementary School building.

- (4) A school corporation that has had a designation as a distressed political subdivision under IC 6-1.1-20.3 within the previous three (3) years.

(c) This section does not apply to a covered school building in which a governing body under IC 20-26-5-4(a)(7) entered a lease prior to January 1, 2019, with a state accredited nonpublic school. In addition, the governing body may, during or at the expiration of the term of such lease, sell the school building leased under IC 20-26-5-4(a)(7) to the nonpublic school at a purchase price mutually agreed to by the governing body and the nonpublic school.

(d) This section does not apply to a covered school building of a school corporation to which the following apply:

- (1) The school corporation had, before January 1, 2023, entered into a lease or memorandum of understanding with a nonprofit organization exempt from federal taxation under Section 501(c)(3) through 501(c)(7) of the Internal Revenue Code for the use of the covered school building.

- (2) The lease or memorandum of understanding described in subdivision (1):

- (A) continues in effect;

- (B) is renewed; or

- (C) is replaced by a new lease or memorandum of understanding that is entered into between the school



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

3 (3) The nonprofit organization described in subdivision (1) uses  
4 the covered school building for an educational purpose  
5 throughout the term of any lease or memorandum of  
6 understanding.

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

10 (e) A covered school building that a school corporation closes or is  
11 required to close may not be retained by the school corporation for  
12 storage or office use unless the conditions of IC 20-26-7-47(e)(3),  
13 IC 20-26-7-47(e)(4), or IC 20-26-7-47(e)(5) are met.

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:

18 (1) at a public meeting; **or**

19 (2) **without formal action;**

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

26 (b) If the school corporation does not intend to make a covered  
27 school building available for lease or purchase in accordance with this  
28 chapter, the school corporation shall state in the notice required under  
29 subsection (a) the factual and legal basis for the school corporation's  
30 contention that the covered school building is not required to be made  
31 available under this chapter. **The school corporation has the burden**  
32 **of going forward with the evidence and the burden of proof to**  
33 **demonstrate that the covered school building is not required to be**  
34 **made available under this chapter.** Any claim for exclusion from a  
35 requirement to make the covered school building available under this  
36 chapter which is not stated in the notice under this subsection is  
37 waived.

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.**

~~(j)~~ **(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 building is to be made available is issued;

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

~~(j)~~ **(l)** **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)**.

~~(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 ~~(f)(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).**

~~(n)~~ **(p)** If only one (1) charter school submits a preliminary request





to purchase or lease the covered school building, the department shall notify the school corporation of the identity of the charter school and direct the school corporation to complete a sale or lease to the charter school in accordance with subsection ~~(t)~~ **(t)**. In the event that two (2) or more charter schools submit a preliminary request 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 each interested person and the school corporation that the department has received two (2) or more preliminary requests under this section. An authorizer committee shall be established, with each statewide authorizer that has authorized one (1) or more charter schools appointing a representative, and the committee shall establish the chairperson and procedures for the committee. Within sixty (60) days of receiving notice under this subsection, the committee shall select which charter school may proceed under subsection ~~(t)~~ **(t)** to purchase or lease the covered school building or determine if two (2) or more charter schools should co-locate within the covered school building. The committee shall base the committee's decision on the following criteria:

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

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



educational institution's discretion and include an option for the state educational institution or charter school to purchase the covered school building for one dollar (\$1). Alternatively, the school corporation shall sell the covered school building to the charter school or state educational institution for one dollar (\$1), if the charter school or state educational institution has met the requirements set forth in subsection ~~(t)~~ **(n)** and uses the covered school building in the manner prescribed by this subsection. If the charter school or state educational institution selected to lease or purchase the covered school building has met the requirements under subsection ~~(t)~~; **(n)**, the school corporation has not more than ~~ninety (90)~~ **ten (10)** days after the date notice of a final unappealable decision is received by the school corporation to complete the lease or sale of the covered school building to the charter school or state educational institution. If the transaction is not completed within ~~ninety (90)~~ **ten (10)** days, the department or the selected charter school or state educational institution may, under section 9 of this chapter, request that the attorney general enforce the sale or lease or may file suit to enforce the sale or lease. If a charter school or state educational institution has not met the requirements under subsection ~~(t)~~; **(n)**, 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).

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

**(1) Injunctive relief.**

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

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

**(1) Furniture.**

**(2) Kitchen equipment.**

**(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(t)~~ **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.



(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;

as a result of being engaged in ongoing renovations for an acquired covered school building, within ~~two (2)~~ **three (3)** years after acquiring an occupancy permit for 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.

SECTION 14. IC 20-26-7.1-5.3, AS AMENDED BY P.L.36-2024, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5.3. (a) This section applies to a covered school building to which the following apply:

(1) The covered school building was purchased or leased by a charter school under this chapter.

(2) The total student enrollment for in-person instruction in the school building in the current school year is at least ten percent (10%) less than the student enrollment for in-person instruction in the school building in a school year that precedes the current school year by five (5).

(b) A school corporation may not petition the department under subsection (c) within the first five (5) years after a charter school purchased or initially leased a covered school building under this chapter.

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

**(A)** the number of full-time equivalent students enrolled for in-person instruction in a school building on instructional days (as determined under IC 20-30-2) for instructional purposes for a school year is not at least fifty percent (50%) of the classroom design capacity of the school building; **and**

**(B) it is consistent with the needs of the school corporation's strategic plan;**

the school corporation that leased or sold the school building to the charter school may file a petition with the department requesting that the charter school transfer the school building back to the school corporation.

(d) Before filing a petition under subsection (c), the school corporation must give written notice to the charter school to determine whether an agreement can be reached regarding transferring the school building to the school corporation.

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



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

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

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

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

- (1) a grade level screener approved by the department; or
- (2) a through-year statewide assessment;

the school must provide intervention that meets the requirements under subsection (b).

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

- (1) The intervention includes a multitiered system of support that progresses from less to more intensive support based on the student's individual needs.
- (2) The intervention is aligned to daily Tier I instruction and standard level learning progressions.
- (3) The intervention is:
  - (A) targeted;
  - (B) differentiated; and
  - (C) supplemental to Tier I instruction.
- (4) The intervention:
  - (A) is aligned with evidence based instructional strategies to promote conceptual understanding, procedural fluency, and real world problem solving; and
  - (B) allows a student opportunities to interact, show progress, and demonstrate understanding through rigorous grade level content.
- (5) The intervention includes continual assessment and in depth analysis of each student's data to inform the flexible movement in



and out of Tiers II and III.

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

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

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

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

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

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

(1) 2025; or

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

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

(c) Except as provided in subsection (d), the complexity index for 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 for a state fiscal year is equal to the result using the following formula:

STEP ONE: Determine:

(A) the school corporation's enrollment; minus

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

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

SECTION 18. IC 21-18-15.1-5, AS ADDED BY P.L.74-2019, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5. (a) The teacher residency grant pilot program fund is established for the purpose of providing funds to school corporations, ~~and~~ charter schools, **and state accredited nonpublic schools** for the development and implementation of teacher residency programs as described in section 6 of this chapter.

(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 19. 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



- 1 (ii) program participants and teachers who act as mentors to
- 2 program participants under the teacher residency program
- 3 receive stipends;
- 4 (B) includes the name and contact information of the approved
- 5 postsecondary educational institution with which the school
- 6 corporation, ~~or~~ charter school, **or state accredited nonpublic**
- 7 **school** has partnered; and
- 8 (C) includes any other information regarding the teacher
- 9 residency program that is required by the commission.
- 10 (3) Any other requirements established by the commission.
- 11 SECTION 20. IC 21-18-15.1-7, AS ADDED BY P.L.74-2019,
- 12 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 13 JULY 1, 2026]: Sec. 7. A school corporation, ~~or~~ charter school, **or**
- 14 **state accredited nonpublic school** that is awarded a grant under
- 15 section 6 of this chapter:
- 16 (1) shall provide stipends to:
- 17 (A) program participants; and
- 18 (B) teachers who act as mentors to program participants under
- 19 the teacher residency program; and
- 20 (2) may use money from the grant award to pay the approved
- 21 postsecondary educational institution with which the school
- 22 corporation, ~~or~~ charter school, **or state accredited nonpublic**
- 23 **school** has partnered for administrative costs incurred by the
- 24 approved postsecondary educational institution in developing and
- 25 implementing the teacher residency program.
- 26 SECTION 21. IC 21-18-15.1-8, AS ADDED BY P.L.74-2019,
- 27 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 28 JULY 1, 2026]: Sec. 8. The commission shall, upon request, provide
- 29 technical assistance to school corporations, charter schools, **state**
- 30 **accredited nonpublic schools**, and approved postsecondary
- 31 educational institutions participating in the pilot program in the
- 32 development of competency based curriculum and support systems for
- 33 program participants.
- 34 SECTION 22. IC 21-18-15.1-9, AS AMENDED BY P.L.214-2025,
- 35 SECTION 213, IS AMENDED TO READ AS FOLLOWS
- 36 [EFFECTIVE JULY 1, 2026]: Sec. 9. (a) The commission shall
- 37 annually prepare a report that includes the following:
- 38 (1) Information regarding school corporations, ~~and~~ charter
- 39 schools, **and state accredited nonpublic schools** that participate
- 40 in the pilot program.
- 41 (2) The annual retention rate of teachers employed by a school
- 42 corporation, ~~or~~ charter school, **or state accredited nonpublic**



1 **school** who completed the school corporation's, ~~or~~ charter  
 2 school's, **or state accredited nonpublic school's** teacher  
 3 residency program within the immediately preceding five (5)  
 4 years.

5 (3) The number of program participants who were not employed  
 6 by a school corporation, ~~or~~ charter school, **or state accredited**  
 7 **nonpublic school** after completing the school corporation's, ~~or~~  
 8 charter school's, **or state accredited nonpublic school's** teacher  
 9 residency program.

10 (4) The number of teachers who:

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

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

16 (b) Not later than July 1 of each year, the commission shall submit  
 17 the report described in subsection (a) to the following:

18 (1) The governor.

19 (2) The general assembly in an electronic format under IC 5-14-6.



COMMITTEE REPORT

Mr. President: The Senate Committee on Education and Career Development, to which was referred Senate Bill No. 239, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 31, delete lines 10 through 42.

Delete pages 32 through 37.

Page 38, delete lines 1 through 35.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass and be reassigned to the Senate Committee on Appropriations.

(Reference is to SB 239 as introduced.)

RAATZ, Chairperson

Committee Vote: Yeas 9, Nays 4.

