



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.

SB 239—LS 7049/DI 152



Digest Continued

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.

SB 239—LS 7049/DI 152



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

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).

SB 239—LS 7049/DI 152



(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.



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

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

13 SECTION 4. IC 20-24-11-5 IS ADDED TO THE INDIANA CODE
14 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
15 1, 2026]: **Sec. 5. (a) An existing public elementary or secondary**
16 **school may be converted into a charter school if the governing**
17 **body of the school corporation:**

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



(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.

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.

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:

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



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** [EFFECTIVE JULY 1, 2026]: **Sec. 2.5. In addition to any state
13 tuition support dollars a participating innovation network charter
14 school receives from a school corporation under this chapter, the
15 department shall treat the participating innovation network
16 charter school as a charter school when calculating the tuition
17 support to be distributed to the innovation network charter school
18 for students of the innovation network charter school who do not
19 reside within the geographic boundaries of a school corporation
20 with which the innovation network charter school has an
21 agreement under this chapter.**

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

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

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

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



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:

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

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

20 (3) "Enrollment" refers to the following:

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

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

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

31 (ii) are included in the school corporation's fall ADM count.
32 (4) "Interested person" has the meaning set forth in

33 IC 20-26-7.1-2.2.

34 (b) This section applies to a school corporation only if:
35 (1) the total student enrollment for in-person instruction in the
36 school corporation in the current school year is at least ten percent
37 (10%) less than the student enrollment for in-person instruction
38 in the school corporation in a school year that precedes the
39 current school year by five (5); and

39 current school year by five (5), and
40 (2) the school corporation in the current school year has more
41 than one (1) school building serving the same grade level as the
42 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.

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

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

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

23 (A) with sufficient capacity to take the students using the
24 school building being considered for closure; and
25 (B) that does not require more than twenty (20) minutes of
26 travel time by car or bus from the school building being
27 considered for closure; and

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

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

40 (A) the known classroom design capacity of the school
41 building; or
42 (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 proceeding may intervene in the proceeding under subsection (h) as a
5 party. The school corporation has the burden of going forward with the
6 evidence and the burden of proof to demonstrate that the school
7 building does not meet the criteria for closure or the covered school
8 building is not required to be made available under IC 20-26-7.1.

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

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

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

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

18 (k) If the school corporation:

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

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

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

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

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



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

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

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.

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

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

(1) at a public meeting; or

(2) without formal action;

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.

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

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

(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**



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

2 ~~(f)~~ **(k)** Not later than fifteen (15) days after:

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

8 the governing body shall take the actions specified by subsection ~~(f)~~.

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

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

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

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

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

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

28 (C) A legal description of the property.

29 ~~(f)~~ **(m)** If the governing body fails to take the actions required under
 30 subsection ~~(f)~~, **(l)**, a charter school having notified the school
 31 corporation of its interest in the covered school building is entitled to
 32 an injunction requiring the governing body to take the actions under
 33 subsection ~~(f)~~ **(l)**.

34 ~~(f)~~ **(n)** The school corporation shall lease the covered school
 35 building to a charter school or state educational institution for one
 36 dollar (\$1) per year for as long as the state educational institution uses
 37 the covered school building for an academic purpose or the charter
 38 school uses the covered school building for **classroom instruction; an**
 39 **educational purpose**, for a term at the state educational institution's or
 40 charter school's discretion, or sell the covered school building for one
 41 dollar (\$1), if the charter school or state educational institution does the
 42 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 (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); (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(f) 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.



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.

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).

(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.

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.

(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.

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.

(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 institutions 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 20. 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.

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

SECTION 22. IC 21-18-15.1-9, AS AMENDED BY P.L.214-2025, SECTION 213, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 9. (a) The commission shall annually prepare a report that includes the following:

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

(2) The annual retention rate of teachers employed by a school 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.

