



Reprinted
February 24, 2026

ENGROSSED SENATE BILL No. 239

DIGEST OF SB 239 (Updated February 23, 2026 5:21 pm - DI 110)

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.

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 (Continued next page)

Effective: Upon passage; July 1, 2026; July 1, 2027.

**Rogers, Raatz, Donato, Buchanan,
Doriot**

(HOUSE SPONSORS — TESHKA, BEHNING, MCGUIRE)

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.

January 22, 2026, amended, reported favorably — Do Pass.

January 26, 2026, read second time, amended, ordered engrossed.

January 27, 2026, engrossed.

January 28, 2026, read third time, passed. Yeas 30, nays 18.

HOUSE ACTION

February 2, 2026, read first time and referred to Committee on Education.

February 18, 2026, amended, reported — Do Pass.

February 23, 2026, read second time, amended, ordered engrossed.

ES 239—LS 7049/DI 152



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. Amends certain requirements and procedures that apply to the closure and transfer of covered school buildings. 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. Repeals a provision that requires the county executive of a county to appoint a member of a charter school board.



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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.

ENGROSSED 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 UPON PASSAGE]: 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).

ES 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, 2027]: 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. Not later than July 1, 2027, and not later than 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 20-24-3-19 IS REPEALED [EFFECTIVE JULY 1, 2026]. ~~Sec. 19. (a) This section applies to a charter school that receives property tax revenue under any statute referred to in IC 20-24-7-6.1 or IC 20-24-7-6.2.~~

~~(b) As used in this section, "executive" has the meaning set forth in IC 36-1-2-5.~~

~~(c) The county executive of the county in which the charter school organizer is incorporated shall appoint one (1) individual to serve as a member of the charter school board.~~

~~(d) In the case of a charter school organizer that operates more than one (1) charter school located in more than one (1) county, the county executive of the county in which the charter school is incorporated shall appoint the member under this section.~~

~~(e) The following may not be appointed to a governing board under this section:~~

~~(1) An individual currently serving on the governing body of a school corporation.~~

~~(2) An individual currently employed by a school corporation.~~

~~(f) A county executive may designate an individual who already serves on the governing board of the charter school as the county executive's appointee under subsection (c).~~

SECTION 5. IC 20-24-4-1, AS AMENDED BY P.L.214-2025, SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 1. A charter must meet the following requirements:**

(1) Be a written instrument.

(2) Be executed by an authorizer and an organizer.

(3) Confer certain rights, franchises, privileges, and obligations on a charter school.

(4) Confirm the status of a charter school as a public school.



- (5) Subject to subdivision (6)(E), be granted for:
 - (A) not more than fifteen (15) years; and
 - (B) a fixed number of years agreed to by the authorizer and the organizer.
- (6) Provide for the following:
 - (A) A review by the authorizer of the charter school's performance, including the progress of the charter school in achieving the academic goals set forth in the charter, at least one (1) time in each five (5) year period while the charter is in effect.
 - (B) Renewal, if the authorizer and the organizer agree to renew the charter.
 - (C) The renewal application must include guidance from the authorizer, and the guidance must include the performance criteria that will guide the authorizer's renewal decisions.
 - (D) The renewal application process must, at a minimum, provide an opportunity for the charter school to:
 - (i) present additional evidence, beyond the data contained in the performance report, supporting its case for charter renewal;
 - (ii) describe improvements undertaken or planned for the charter school; and
 - (iii) detail the charter school's plans for the next charter term.
 - (E) Not later than the end of the calendar year in which the charter school seeks renewal of a charter, the governing board of a charter school seeking renewal shall submit a renewal application to the charter authorizer under the renewal application guidance issued by the authorizer. The authorizer shall make a final ruling on the renewal application not later than April 1 after the filing of the renewal application.
- (7) Specify the grounds for the authorizer to:
 - (A) revoke the charter before the end of the term for which the charter is granted; or
 - (B) not renew a charter.
- (8) Set forth the methods by which the charter school will be held accountable for achieving the educational mission and goals of the charter school, including the following:
 - (A) Evidence of improvement in:
 - (i) assessment measures, including the statewide assessment program measures;
 - (ii) attendance rates;



- 1 (iii) graduation rates (if appropriate);
- 2 (iv) increased numbers of Indiana diplomas with a Core 40
- 3 designation or increased numbers of Indiana diploma
- 4 designations established under IC 20-19-2-21 and other
- 5 college and career ready indicators including advanced
- 6 placement participation and passage, dual credit
- 7 participation and passage, and International Baccalaureate
- 8 participation and passage (if appropriate);
- 9 (v) increased numbers of Indiana diplomas with Core 40
- 10 with academic honors and technical honors designations (if
- 11 appropriate);
- 12 (vi) student academic growth;
- 13 (vii) financial performance and stability; and
- 14 (viii) governing board performance and stewardship,
- 15 including compliance with applicable laws, rules and
- 16 regulations, and charter terms.
- 17 (B) Evidence of progress toward reaching the educational
- 18 goals set by the organizer.
- 19 (9) Describe the method to be used to monitor the charter
- 20 school's:
- 21 (A) compliance with applicable law; and
- 22 (B) performance in meeting targeted educational performance.
- 23 (10) Specify that the authorizer and the organizer may amend the
- 24 charter during the term of the charter by mutual consent and
- 25 describe the process for amending the charter.
- 26 (11) Describe specific operating requirements, including all the
- 27 matters set forth in the application for the charter.
- 28 (12) Specify a date when the charter school will:
- 29 (A) begin school operations; and
- 30 (B) have students attending the charter school.
- 31 (13) Specify that records of a charter school relating to the
- 32 school's operation and charter are subject to inspection and
- 33 copying to the same extent that records of a public school are
- 34 subject to inspection and copying under IC 5-14-3.
- 35 (14) Specify that records provided by the charter school to the
- 36 department or authorizer that relate to compliance by the
- 37 organizer with the terms of the charter or applicable state or
- 38 federal laws are subject to inspection and copying in accordance
- 39 with IC 5-14-3.
- 40 (15) Specify that the charter school is subject to the requirements
- 41 of IC 5-14-1.5.
- 42 (16) In the case of a charter school that is subject to



1 IC 20-24-3-19; the charter must confirm that at least one (1)
 2 member of the governing board of the charter school will be
 3 appointed in accordance with IC 20-24-3-19.

4 SECTION 6. IC 20-24-11-5 IS ADDED TO THE INDIANA CODE
 5 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 6 1, 2026]: **Sec. 5. (a) An existing public elementary or secondary**
 7 **school may be converted into a charter school if the governing**
 8 **body of the school corporation:**

9 (1) votes to convert the school within the school corporation;
 10 and

11 (2) submits to an authorizer a proposal described in
 12 IC 20-24-3-4 to convert the school within the school
 13 corporation to a charter school.

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

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

19 (1) the school corporation; or

20 (2) a nonprofit corporation that:

21 (A) is established by the school corporation;

22 (B) is incorporated or registered in Indiana;

23 (C) has been recognized by the Internal Revenue Service to
 24 be tax exempt and maintains such tax exempt status; and

25 (D) has an independent board whose members have been
 26 elected or selected under the organizer's application and
 27 that has entered into a contract under this article to
 28 operate a charter school.

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

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

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

39 (A) is identified in the charter application and charter; and

40 (B) is subject to the performance conditions, accountability
 41 measures, and renewal determinations established in the
 42 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 7. IC 20-25.7-5-2, AS AMENDED BY P.L.213-2025, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: 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 who:**

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

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

in accordance with the school funding formula to the participating innovation network charter school (if the participating innovation network charter school is, **with regard to students described in this subsection**, treated in the same manner as a school operated



by the school corporation under subsection (d)(2)).

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

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

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

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

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

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

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

(1) the department shall include the participating innovation network 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; **and**

(2) the department shall:

(A) treat the participating innovation network charter school 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~~



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

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

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

27 (g) If an administrative fee is included in an agreement entered into
 28 or renewed **under this chapter** after June 30, 2023, 2027, under this
 29 section, ~~the fee may not exceed one percent (1%) of the total amount~~
 30 ~~of state tuition support that is distributed to the school corporation~~
 31 ~~based on the participating innovation network charter school's student~~
 32 ~~enrollment. each school corporation with which an organizer of a~~
 33 **participating innovation network charter school has entered into**
 34 **an agreement may assess an administrative fee of not more than**
 35 **one percent (1%) of the tuition support dollars that the school**
 36 **corporation receives for students who:**

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

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



organizer.

SECTION 8. IC 20-25.7-5-2.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: **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 9. IC 20-25.7-5-5, AS AMENDED BY P.L.220-2021, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: **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) through (2)(D) must be included in the calculation of the number of school days that a student has been suspended.

(e) A participating innovation network charter school may give enrollment preferences to children of the participating innovation network charter school's founders, governing board members, and participating innovation network charter school employees, as long as the enrollment preference under this subsection is not given to more than ten percent (10%) of the participating innovation charter school's total population and there is sufficient capacity for a program, class,



1 grade level, or building to ensure that any student with legal settlement
2 in the attendance area may attend the school.

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

7 (1) those students who were enrolled in the charter school on the
8 date it entered into the innovation network agreement; and

9 (2) siblings of students described in subdivision (1).

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

26 SECTION 10. IC 20-25.7-5-6, AS ADDED BY P.L.162-2024,
27 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
28 JULY 1, 2027]: Sec. 6. (a) Subject to an administrative fee as described
29 in section 2(g) of this chapter, a school corporation that enters into an
30 agreement with an organizer under this chapter shall distribute at least
31 one hundred percent (100%) of state tuition support dollars that the
32 school corporation receives from ~~student enrollment~~ students who:

33 **(1) reside in the geographic boundaries of the school**
34 **corporation; and**

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

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

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



required under subsection (a).

SECTION 11. IC 20-26-7-47, AS AMENDED BY P.L.36-2024, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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 **or other school buildings:**

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

(2) The school corporation demonstrates through facts included in a resolution that the school building is being used and that it is financially prudent to continue to use the school building, considering all community resources, for a distinct student population that reasonably cannot be served through integration



1 with the general school population, such as students attending an
 2 alternative education program (as defined in IC 20-30-8-1).
 3 However, to be an allowable use under this subdivision, the
 4 average number of full-time equivalent students using the school
 5 building in a school year for instructional purposes must be at
 6 least thirty percent (30%) of:

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

9 (B) if the design capacity is not known, the average maximum
 10 full-time equivalent enrollment in any of the last twenty-five
 11 (25) years, as validated by records created or maintained by
 12 the department; and

13 (if multiple school buildings are used for the same purposes)
 14 combining the student populations into fewer school buildings is
 15 not reasonably feasible.

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

27 (4) The school corporation demonstrates through facts included
 28 in a resolution that the school building is being used and that it is
 29 financially prudent to continue to use the school building,
 30 considering all community resources, for storage. However, to be
 31 an allowable use under this subdivision, at least fifty percent
 32 (50%) of the square footage of the school building must be used
 33 for storage, on average the storage space must be used to capacity,
 34 and the cost of using the school building for storage must be less
 35 than comparable storage space that is available in the school
 36 district.

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



the school building must be used for a combination of office space and storage and:

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

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

(f) Closure of a school building that is:

(1) 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; or

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

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

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

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

(i) An interested person that is not otherwise a party to the proceeding may intervene in the proceeding under subsection (h) as a party. The school corporation has the burden of going forward with the evidence and the burden of proof to demonstrate that the school building does not meet the criteria for closure or the covered school



1 building is not required to be made available under IC 20-26-7.1.

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

4 (1) file a response to the petition that notifies the department that
5 the school corporation:

6 (A) is not contesting the petition; or

7 (B) is contesting the petition and states the facts upon which
8 the school corporation relies in contesting the petition; and

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

11 (k) If the school corporation:

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

14 (2) fails to submit a timely response under subsection (j);

15 the department shall issue an order granting the petition. A petition and
16 any response or reply are public documents.

17 (l) If a school corporation contests a petition under subsection (j),
18 a party to the proceeding has not more than ~~sixty (60)~~ **thirty (30)** days
19 after the date that the school corporation files a response under
20 subsection (j) to submit a reply to the school corporation's response.
21 **The petition shall be resolved in accordance with IC 20-26-7.1-4(g)**
22 **through IC 20-26-7.1-4(v).**

23 ~~(m) The department shall make a determination regarding a petition~~
24 ~~under subsection (h) not more than one hundred twenty (120) days after~~
25 ~~the date that the:~~

26 ~~(1) petitioner and any intervening party have submitted a reply~~
27 ~~under subsection (1); or~~

28 ~~(2) time period to reply under subsection (1) has expired.~~

29 ~~(n) A school corporation or another party to the proceeding may file~~
30 ~~with the state board a petition requesting review of the department's~~
31 ~~determination. Upon receipt of a petition under this subsection, the~~
32 ~~state board shall review the department's determination. An appeal to~~
33 ~~the state board shall be subject to the procedure described in~~
34 ~~IC 20-26-11-15(b).~~

35 ~~(o) Upon the issuance of a final unappealable order granting a~~
36 ~~petition, the school corporation shall make the school building~~
37 ~~available for lease or purchase in accordance with IC 20-26-7.1.~~

38 SECTION 12. IC 20-26-7-48, AS ADDED BY P.L.189-2023,
39 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
40 UPON PASSAGE]: Sec. 48. (a) The following definitions apply
41 throughout this section:

42 (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) **Beginning July 1, 2027**, 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).

SECTION 13. IC 20-26-7.1-4, AS AMENDED BY P.L.1-2025, SECTION 188, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) Not later than thirty (30) days after the date a governing body of a school corporation determines at a public meeting to cease using a covered school building for classroom instruction on student instructional days (as described in



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

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

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

22 (d) Not later than fifteen (15) days after the date that the department
 23 receives a notice from a school corporation under subsection (a), the
 24 department shall provide written notice to all interested persons
 25 regarding the notice from the school corporation submitted under
 26 subsection (a).

27 (e) If a notice from a school corporation under subsection (a)
 28 acknowledges that the covered school building will be made available
 29 in accordance with this chapter, the department's notice to interested
 30 persons shall provide that any notice of interest by an interested person
 31 for the covered school building must be submitted to the department
 32 not later than sixty (60) days after the date the interested person
 33 receives the department's notice under subsection (d).

34 (f) If a notice from a school corporation under subsection (a)
 35 includes a claim that the covered school building will not be made
 36 available under this chapter, an interested person may submit to the
 37 department, not later than thirty (30) days after the date the interested
 38 person receives the notice from the department under subsection (d),
 39 a rebuttal to the factual and legal basis for the school corporation's
 40 contention that the covered school building is not required to be made
 41 available under this chapter.

42 (g) The department shall, not later than sixty (60) days after the date



that **a response is filed under IC 20-26-7-47(l) or** a rebuttal is ~~due~~
~~submitted~~ under subsection (f), issue a determination to the ~~school~~
~~corporation and interested persons~~ **parties to the proceeding** as to
 whether the covered school building must be made available under this
 chapter. The department shall publish a copy of the ~~department's~~
 determination on the department's website.

(h) Not later than ~~thirty (30)~~ **sixty (60)** days after the date that the
 department issues a determination under subsection (g), a ~~school~~
~~corporation or interested person~~ **party to the proceeding** may ~~appeal~~
~~the determination to file with the state board a petition requesting~~
~~review of the department's determination.~~ An appeal to the state
 board shall be subject to the procedure described in IC 20-26-11-15(b).

(i) 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 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). 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.

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

(j) If a petition requesting review under subsection (h) has not
 been concluded by a final determination by the state board under
 subsection (i) within two (2) years after the initial notice of interest
 in acquiring the covered school building was submitted by a party
 to the proceeding, a party to the proceeding may request that the
 department determine whether a school building:

(1) is not required to be made available for lease or purchase
 to a party to the proceeding under this chapter; or

(2) is required to be conveyed to a party to the proceeding in
 accordance with this chapter.

The department shall make a determination on a request submitted
 under this subsection not later than thirty (30) days after the date
 the department receives the request. After the department issues
 an order under this subsection, the pending petition requesting
 review shall be deemed resolved by final order and there shall be
 no administrative or judicial review of the order.

(k) If a party to the proceeding chooses to appeal a final



determination issued by the state board under subsection (i), the appeal may only be filed in the court of appeals and must be filed not later than thirty (30) days after the date the final determination is issued by the state board. A school corporation that files an appeal of the state board's final determination and is determined to be the nonprevailing party by the court of appeals shall be responsible for the reasonable attorney's fees incurred by the prevailing party.

~~(j)~~ **(l)** Not later than fifteen (15) days after the department provides notice to interested parties under subsection (d) that a covered school building is to be ~~made available~~, **closed**, 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, 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 the covered school building; 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 ~~(r)~~; **(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 appeal. Notice of the appeal and the final order in the appeal must be given to the school corporation.

~~(t)~~ **(q)** If a charter school does not submit a preliminary request to purchase or lease the covered school building and only one (1) state educational institution submits a preliminary request to purchase or



1 lease the covered school building, the department shall:

2 (1) notify the school corporation of the identity of the state
3 educational institution; and

4 (2) direct the school corporation to complete a sale or lease to the
5 state educational institution in accordance with subsection ~~(r)~~; **(t)**.

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

18 ~~(q)~~ **(s)** Not later than sixty (60) days after the date that a member is
19 appointed under subsection ~~(p)~~; **(r)**, the committee shall:

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

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

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

29 ~~(r)~~ **(t)** A school corporation shall lease the covered school building
30 for one dollar (\$1) per year to the charter school or state educational
31 institution for as long as the:

32 (1) charter school uses the covered school building for classroom
33 instruction for any combination of kindergarten through grade 12;

34 or

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

37 The term of the lease shall be established at the charter school's or state
38 educational institution's discretion and include an option for the state
39 educational institution or charter school to purchase the covered school
40 building for one dollar (\$1). Alternatively, the school corporation shall
41 sell the covered school building to the charter school or state
42 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)~~ **thirty (30)** 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)~~ **thirty (30)** 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 thirty (30) 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 may 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 thirty

(30) 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:

(1) those assets that are fixtures of the covered school building; and

(2) adjacent parking lots and playgrounds.

SECTION 14. IC 20-26-7.1-5, AS AMENDED BY P.L.135-2025, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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; 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; 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 15. IC 20-26-7.1-5.3, AS AMENDED BY P.L.36-2024, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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) As a condition precedent for a school corporation to receive



1 a school building back from a charter school, the school
 2 corporation shall pay the charter school the cost of capital
 3 improvements the charter school made to the school building
 4 minus depreciation.

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

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

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

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

- 17 (1) The intervention includes a multitiered system of support that
- 18 progresses from less to more intensive support based on the
- 19 student's individual needs.
- 20 (2) The intervention is aligned to daily Tier I instruction and
- 21 standard level learning progressions.
- 22 (3) The intervention is:
- 23 (A) targeted;
- 24 (B) differentiated; and
- 25 (C) supplemental to Tier I instruction.
- 26 (4) The intervention:
- 27 (A) is aligned with evidence based instructional strategies to
- 28 promote conceptual understanding, procedural fluency, and
- 29 real world problem solving; and
- 30 (B) allows a student opportunities to interact, show progress,
- 31 and demonstrate understanding through rigorous grade level
- 32 content.
- 33 (5) The intervention includes continual assessment and in depth
- 34 analysis of each student's data to inform the flexible movement in
- 35 and out of Tiers II and III.

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

- 40 (1) **Specific information about how the student is performing.**
- 41 (2) **Information about the intervention the student will receive**
 42 **from the school.**



- 1 **(3) A list or description of any recommended resources**
2 **available for use at home to support the student's academic**
3 **growth in mathematics.**
4 ~~(c)~~ **(d)** The department shall provide guidance on the multitiered
5 system that a school is required to provide under subsection (b).
6 **SECTION 17. An emergency is declared for this act.**



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.

COMMITTEE REPORT

Mr. President: The Senate Committee on Appropriations, 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 16, line 8, delete "ten (10)" and insert "**thirty (30)**".

Page 16, line 10, delete "shall" and insert "**may**".

Page 16, delete lines 17 through 26, begin a new paragraph and insert:

"(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:

(1) those assets that are fixtures of the covered school building; and

(2) property that is directly adjacent to the covered school building and owned by the school corporation, including property used for school activities, athletics, recreational facilities, and parking."

Page 17, line 27, after "department" insert "**when requested by the department and**".

ES 239—LS 7049/DI 152



Page 17, delete lines 33 through 42.

Delete page 18.

Page 19, delete lines 1 through 25, begin a new paragraph and insert:

"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 at a public meeting 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."

Page 21, delete lines 34 through 42, begin a new paragraph and insert:

"(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, 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:"

Page 22, delete lines 15 through 17, begin a new line triple block indented and insert:

"(i) charter school intends to begin providing classroom instruction in the covered school building; or"

Page 25, delete lines 36 through 42.

Page 26, delete lines 1 through 3, begin a new paragraph and insert:

"(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:

- (1) those assets that are fixtures of the covered school building; and**
- (2) property that is directly adjacent to the covered school building and owned by the school corporation, including property used for school activities, athletics, recreational facilities, and parking."**

Page 26, delete lines 35 through 36, begin a new line block indented and insert:



"(1) charter school does not use the covered school building for classroom instruction; or".

Page 27, delete lines 2 through 3, begin a new line block indented and insert:

"(1) charter school does not use the covered school building for classroom instruction; or".

Page 29, delete lines 14 through 42.

Delete pages 30 through 33.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 239 as printed January 16, 2026.)

GARTEN, Chairperson

Committee Vote: Yeas 9, Nays 4.

SENATE MOTION

Mr. President: I move that Senate Bill 239 be amended to read as follows:

Page 16, line 3, delete "ten (10)" and insert "**thirty (30)**".

Page 16, delete lines 22 through 25, begin a new line single block indented and insert:

"(2) adjacent parking lots and playgrounds."

Page 17, line 32, after "subsection." insert "**The department shall issue the recovered state tuition within fifteen (15) days of receiving the report.**".

Page 23, line 27, delete "ten (10)" and insert "**thirty (30)**".

Page 23, line 31, delete "ten (10)" and insert "**thirty (30)**".

Page 23, line 42, delete "ten (10)" and insert "**thirty (30)**".

Page 24, line 3, delete "shall" and insert "**may**".

Page 24, delete lines 15 through 18, begin a new line single block indented and insert:

"(2) adjacent parking lots and playgrounds."

(Reference is to SB 239 as printed January 23, 2026.)

ROGERS



COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred Senate Bill 239, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Replace the effective date in SECTION 1 with "[EFFECTIVE UPON PASSAGE]".

Replace the effective dates in SECTIONS 9 through 10 with "[EFFECTIVE UPON PASSAGE]".

Replace the effective dates in SECTIONS 12 through 13 with "[EFFECTIVE UPON PASSAGE]".

Page 4, line 6, delete "Beginning" and insert "**Not later than**".

Page 4, line 6, after "and" insert "**not later than**".

Page 4, between lines 12 and 13, begin a new paragraph and insert: "SECTION 4. IC 20-24-3-19 IS REPEALED [EFFECTIVE JULY 1, 2026]. Sec. 19: (a) This section applies to a charter school that receives property tax revenue under any statute referred to in IC 20-24-7-6.1 or IC 20-24-7-6.2.

(b) As used in this section, "executive" has the meaning set forth in IC 36-1-2-5.

(c) The county executive of the county in which the charter school organizer is incorporated shall appoint one (1) individual to serve as a member of the charter school board.

(d) In the case of a charter school organizer that operates more than one (1) charter school located in more than one (1) county, the county executive of the county in which the charter school is incorporated shall appoint the member under this section.

(e) The following may not be appointed to a governing board under this section:

(1) An individual currently serving on the governing body of a school corporation.

(2) An individual currently employed by a school corporation.

(f) A county executive may designate an individual who already serves on the governing board of the charter school as the county executive's appointee under subsection (c).

SECTION 5. IC 20-24-4-1, AS AMENDED BY P.L.214-2025, SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1. A charter must meet the following requirements:

(1) Be a written instrument.

(2) Be executed by an authorizer and an organizer.



- (3) Confer certain rights, franchises, privileges, and obligations on a charter school.
- (4) Confirm the status of a charter school as a public school.
- (5) Subject to subdivision (6)(E), be granted for:
 - (A) not more than fifteen (15) years; and
 - (B) a fixed number of years agreed to by the authorizer and the organizer.
- (6) Provide for the following:
 - (A) A review by the authorizer of the charter school's performance, including the progress of the charter school in achieving the academic goals set forth in the charter, at least one (1) time in each five (5) year period while the charter is in effect.
 - (B) Renewal, if the authorizer and the organizer agree to renew the charter.
 - (C) The renewal application must include guidance from the authorizer, and the guidance must include the performance criteria that will guide the authorizer's renewal decisions.
 - (D) The renewal application process must, at a minimum, provide an opportunity for the charter school to:
 - (i) present additional evidence, beyond the data contained in the performance report, supporting its case for charter renewal;
 - (ii) describe improvements undertaken or planned for the charter school; and
 - (iii) detail the charter school's plans for the next charter term.
 - (E) Not later than the end of the calendar year in which the charter school seeks renewal of a charter, the governing board of a charter school seeking renewal shall submit a renewal application to the charter authorizer under the renewal application guidance issued by the authorizer. The authorizer shall make a final ruling on the renewal application not later than April 1 after the filing of the renewal application.
- (7) Specify the grounds for the authorizer to:
 - (A) revoke the charter before the end of the term for which the charter is granted; or
 - (B) not renew a charter.
- (8) Set forth the methods by which the charter school will be held accountable for achieving the educational mission and goals of the charter school, including the following:
 - (A) Evidence of improvement in:



- (i) assessment measures, including the statewide assessment program measures;
 - (ii) attendance rates;
 - (iii) graduation rates (if appropriate);
 - (iv) increased numbers of Indiana diplomas with a Core 40 designation or increased numbers of Indiana diploma designations established under IC 20-19-2-21 and other college and career ready indicators including advanced placement participation and passage, dual credit participation and passage, and International Baccalaureate participation and passage (if appropriate);
 - (v) increased numbers of Indiana diplomas with Core 40 with academic honors and technical honors designations (if appropriate);
 - (vi) student academic growth;
 - (vii) financial performance and stability; and
 - (viii) governing board performance and stewardship, including compliance with applicable laws, rules and regulations, and charter terms.
- (B) Evidence of progress toward reaching the educational goals set by the organizer.
- (9) Describe the method to be used to monitor the charter school's:
- (A) compliance with applicable law; and
 - (B) performance in meeting targeted educational performance.
- (10) Specify that the authorizer and the organizer may amend the charter during the term of the charter by mutual consent and describe the process for amending the charter.
- (11) Describe specific operating requirements, including all the matters set forth in the application for the charter.
- (12) Specify a date when the charter school will:
- (A) begin school operations; and
 - (B) have students attending the charter school.
- (13) Specify that records of a charter school relating to the school's operation and charter are subject to inspection and copying to the same extent that records of a public school are subject to inspection and copying under IC 5-14-3.
- (14) Specify that records provided by the charter school to the department or authorizer that relate to compliance by the organizer with the terms of the charter or applicable state or federal laws are subject to inspection and copying in accordance with IC 5-14-3.



(15) Specify that the charter school is subject to the requirements of IC 5-14-1.5.

~~(16) In the case of a charter school that is subject to IC 20-24-3-19, the charter must confirm that at least one (1) member of the governing board of the charter school will be appointed in accordance with IC 20-24-3-19."~~

Page 12, line 22, delete "building;" and insert "building or other school buildings:".

Page 15, line 28, after "response." insert "The petition shall be resolved in accordance with IC 20-26-7.1-4(g) through IC 20-26-7.1-4(v).".

Page 15, delete lines 29 through 42, begin a new paragraph and insert:

"(m) The department shall make a determination regarding a petition under subsection (h) not more than one hundred twenty (120) days after the date that the:

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

(2) time period to reply under subsection (1) has expired:

(n) A school corporation or another party to the proceeding may file with the state board a petition requesting review of the department's determination. Upon receipt of a petition under this subsection, the state board shall review the department's determination. An appeal to the state board shall be subject to the procedure described in IC 20-26-11-15(b);

(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 20-26-7.1-1:".

Page 16, delete lines 1 through 23.

Page 16, line 42, delete "Each" and insert "Beginning July 1, 2027, each".

Page 17, delete lines 23 through 42, begin a new paragraph and insert:

"SECTION 13. IC 20-26-7.1-4, AS AMENDED BY P.L.1-2025, SECTION 188, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) Not later than thirty (30) days after the date a governing body of a school corporation determines at a public meeting 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 receives a notice from a school corporation under subsection (a), the department shall provide written notice to all interested persons regarding the notice from the school corporation submitted under subsection (a).

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

(f) If a notice from a school corporation under subsection (a) includes a claim that the covered school building will not be made available under this chapter, an interested person may submit to the department, not later than thirty (30) days after the date the interested person receives the notice from the department under subsection (d), a rebuttal to 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.

(g) The department shall, not later than sixty (60) days after the date that **a response is filed under IC 20-26-7-47(I) or** a rebuttal is ~~due~~ **submitted** under subsection (f), issue a determination to the ~~school corporation and interested persons~~ **parties to the proceeding** as to



whether the covered school building must be made available under this chapter. The department shall publish a copy of the ~~department's~~ determination on the department's website.

(h) Not later than ~~thirty (30)~~ **sixty (60)** days after the date that the department issues a determination under subsection (g), a ~~school corporation or interested person~~ **party to the proceeding** may ~~appeal the determination to file with the state board a petition requesting review of the department's determination.~~ An appeal to the state board shall be subject to the procedure described in IC 20-26-11-15(b).

(i) ~~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 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). 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.~~

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

(j) **If a petition requesting review under subsection (h) has not been concluded by a final determination by the state board under subsection (i) within two (2) years after the initial notice of interest in acquiring the covered school building was submitted by a party to the proceeding, a party to the proceeding may request that the department determine whether a school building:**

(1) **is not required to be made available for lease or purchase to a party to the proceeding under this chapter; or**

(2) **is required to be conveyed to a party to the proceeding in accordance with this chapter.**

The department shall make a determination on a request submitted under this subsection not later than thirty (30) days after the date the department receives the request. After the department issues an order under this subsection, the pending petition requesting review shall be deemed resolved by final order and there shall be no administrative or judicial review of the order.

(k) **If a party to the proceeding chooses to appeal a final determination issued by the state board under subsection (i), the appeal may only be filed in the court of appeals and must be filed not later than thirty (30) days after the date the final determination**



is issued by the state board. A school corporation that files an appeal of the state board's final determination and is determined to be the nonprevailing party by the court of appeals shall be responsible for the reasonable attorney's fees incurred by the prevailing party.

~~(j)~~ **(l)** Not later than fifteen (15) days after the department provides notice to interested parties under subsection (d) that a covered school building is to be ~~made available~~, **closed**, 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)**.

~~(h)~~ **(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, 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 the covered school building; 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).

~~(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 ~~(r)~~ (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 appeal. Notice of the appeal and the final order in the appeal must be given to the school corporation.

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

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



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

~~(p)~~ **(r)** If one (1) or more state educational institutions submit preliminary requests to purchase or lease a covered school building, a selection committee shall be established consisting of one (1) member appointed by the executive of the largest city or town in the county in which the covered school building is located, one (1) member appointed by the city or town council of the largest city or town in the county in which the covered school building is located, one (1) member appointed by the county commissioners of the county in which the covered school building is located, one (1) member appointed by the county council of the county in which the covered school building is located, and one (1) member appointed by the chamber of commerce of the county in which the covered school building is located.

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

- (1) select which state educational institution may proceed to purchase or lease the covered school building; or
- (2) determine whether more than one (1) state educational institution should co-locate within the covered school building.

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

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

- (1) charter school uses the covered school building for classroom instruction for any combination of kindergarten through grade 12; or
- (2) state educational institution uses the covered school building for an academic purpose.

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)~~ **thirty (30)** 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)~~ **thirty (30)** 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 thirty (30) 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 may 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 thirty (30) 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:

(1) those assets that are fixtures of the covered school building; and

(2) adjacent parking lots and playgrounds."

Delete pages 18 through 23.

Page 24, delete lines 1 through 15.

Page 26, delete lines 21 through 24, begin a new paragraph and insert:

"(g) As a condition precedent for a school corporation to receive a school building back from a charter school, the school corporation shall pay the charter school the cost of capital improvements the charter school made to the school building minus depreciation."



Page 27, after line 25, begin a new paragraph and insert:
 "SECTION 17. **An emergency is declared for this act.**".
 Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 239 as reprinted January 27, 2026.)

BEHNING

Committee Vote: yeas 7, nays 4.

HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 239 be amended to read as follows:

Replace the effective date in SECTION 2 with "[EFFECTIVE JULY 1, 2027]".

Replace the effective dates in SECTIONS 7 through 10 with "[EFFECTIVE JULY 1, 2027]".

Page 10, line 28, delete "2026," and insert "**2027**,".

(Reference is to ESB 239 as printed February 18, 2026.)

BEHNING

