



CONFERENCE COMMITTEE REPORT DIGEST FOR ESB 239

Citations Affected: IC 4-21.5-2-4; IC 6-1.1-17-3.1; IC 20-19-3-45.5; IC 20-24-11-5; IC 20-25.7-5; IC 20-26; IC 20-32-6.5-3; IC 20-43-13-4.

Synopsis: Education matters. Requires the department of education (department) to: (1) compile a list of business and industry partners that provide guaranteed incentives to high school students who earn the honors employment plus seal; and (2) publish the list on the department's website. Provides that, in addition to conditions established in current law to convert an existing public elementary or secondary school, an existing public elementary or secondary school may be converted into a charter school if certain other conditions apply. Allows, if the conditions are met, the governing body of a school corporation to: (1) convert more than one existing public elementary or secondary school within the school corporation; and (2) operate two or more conversion charter schools under a single charter. Allows participating innovation network charter schools to enter into an agreement with more than one school corporation. Establishes the following for or with regard to participating innovation network charter schools that entered into an agreement with more than one school corporation: (1) Requirements regarding the location of a participating innovation network charter school. (2) Terms of a participating innovation network charter school agreement. (3) Duties of the department. 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. **(This conference committee report does the following: (1) Amends the participating innovation network charter school provisions to allow for an organizer to enter into an agreement with only one governing body of a school corporation or more than one governing body of a school corporation and makes corresponding changes. (2) Prohibits the governing body of a school corporation from being the authorizer of a charter school and entering into or having a participating innovation network charter school agreement with the charter school at the same time. (3) Resolves conflicts with HEA 1423-2026. (4) Makes a technical correction.)**

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



Adopted	Rejected
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CONFERENCE COMMITTEE REPORT

MR. SPEAKER:

Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed House Amendments to Engrossed Senate Bill No. 239 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the Senate recede from its dissent from all House amendments and that the Senate now concur in all House amendments to the bill and that the bill be further amended as follows:

- 1 Delete everything after the enacting clause and insert the following:
- 2 SECTION 1. IC 4-21.5-2-4, AS AMENDED BY P.L.132-2019,
- 3 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 4 UPON PASSAGE]: Sec. 4. (a) This article does not apply to any of the
- 5 following agencies:
- 6 (1) The governor.
- 7 (2) The state board of accounts.
- 8 (3) The state educational institutions.
- 9 (4) The department of workforce development.
- 10 (5) The unemployment insurance review board of the department
- 11 of workforce development.
- 12 (6) The worker's compensation board of Indiana.
- 13 (7) The military officers or boards.
- 14 (8) The Indiana utility regulatory commission.
- 15 (9) The department of state revenue (excluding an agency action
- 16 related to the licensure of private employment agencies).
- 17 (10) The department of local government finance.
- 18 (11) The Indiana board of tax review.
- 19 (12) The Indiana department of veterans' affairs.
- 20 (13) The Indiana veterans' affairs commission.
- 21 **(14) The state board of education when issuing a final**

1 **determination described in IC 20-26-7.1-4.**

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

4 SECTION 2. IC 6-1.1-17-3.1, AS AMENDED BY P.L.136-2024,
5 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 JULY 1, 2027]: Sec. 3.1. (a) This section:

7 (1) applies only to an operating referendum tax levy under
8 IC 20-46-1 approved by the voters before January 1, 2023, that is
9 imposed by a school corporation for taxes first due and payable in
10 2024 and 2025;

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

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

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

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

21 (b) As used in this section, "ADM" refers to the school corporation's
22 average daily membership used to determine the state tuition support
23 distribution under IC 20-43. In the case of a school corporation that has
24 entered into an agreement with one (1) or more charter schools to
25 participate as an innovation network charter school under IC 20-25.7-5,
26 the term includes the **following**:

27 **(1) For a participating innovation network charter school**
28 **described in IC 20-25.7-5-2(a), the average daily membership**
29 **of any innovation network charter school that is treated as a**
30 **school operated by the school corporation when calculating the**
31 **total amount of state tuition support to be distributed to the school**
32 **corporation.**

33 **(2) For a participating innovation network charter school**
34 **described in IC 20-25.7-5-2.5(a), the average daily**
35 **membership of students described in IC 20-25.7-5-2.5(c)(2) of**
36 **any innovation network charter school that is treated as a**
37 **school operated by the school corporation with regard to**
38 **students described in IC 20-25.7-5-2.5(c)(2) when calculating**
39 **the total amount of state tuition support to be distributed to**
40 **the school corporation.**

41 (c) Notwithstanding any increase in the assessed value of property
42 from the previous assessment date, for taxes first due and payable in
43 2024, the total amount of operating referendum tax that may be levied
44 by a school corporation may not exceed the lesser of:

45 (1) the maximum operating referendum tax that could have been
46 levied by the school corporation if the maximum referendum rate
47 was imposed for taxes first due and payable in 2023 multiplied by
48 one and three-hundredths (1.03); or

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

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

3 (d) Notwithstanding any increase in the assessed value of property
4 from the previous assessment date, for taxes first due and payable in
5 2025, the total amount of operating referendum tax that may be levied
6 by a school corporation may not exceed the lesser of the following:

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

13 STEP ONE: Subtract:
14 (i) the school corporation's spring count of ADM made in
15 the calendar year preceding by five (5) years the calendar
16 year in which the property taxes are first due and payable;
17 from

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

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

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

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

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

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

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

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

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

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

41 SECTION 3. IC 20-19-3-45.5 IS ADDED TO THE INDIANA
42 CODE AS A NEW SECTION TO READ AS FOLLOWS
43 [EFFECTIVE JULY 1, 2026]: **Sec. 45.5. Not later than July 1, 2027,
44 and not later than each July 1 thereafter, the department shall:**

45 (1) **compile a list of business and industry partners that**
46 **provide guaranteed incentives to high school students who**
47 **earn the honors employment plus seal; and**

48 (2) **publish the list described in subdivision (1) on the**
49 **department's website.**

50 SECTION 4. IC 20-24-11-5 IS ADDED TO THE INDIANA CODE
51 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY

1, 2026]: **Sec. 5. (a) An existing public elementary or secondary school may be converted into a charter school if the governing body of the school corporation:**

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

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

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

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

(1) the school corporation; or

(2) a nonprofit corporation that:

(A) is established by the school corporation;

(B) is incorporated or registered in Indiana;

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

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

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

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

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

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

(B) is subject to the performance conditions, accountability measures, and renewal determinations established in the charter.

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

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

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

SECTION 5. IC 20-25.7-5-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1.5. A board may not at the same time both:

(1) be an authorizer of a charter school; and

(2) enter into or have an agreement under this chapter with the charter school.

SECTION 6. IC 20-25.7-5-2, AS AMENDED BY P.L.213-2025,

1 SECTION 169, IS AMENDED TO READ AS FOLLOWS
 2 [EFFECTIVE JULY 1, 2027]: Sec. 2. **(a) This section applies to a**
 3 **charter school in which the organizer of the charter school has**
 4 **entered into a participating innovation network charter school**
 5 **agreement for that charter school with only one (1) board.**

6 ~~(a)~~ **(b)** The board may enter into an agreement with an organizer to
 7 reconstitute an eligible school as a participating innovation network
 8 charter school or to establish a participating innovation network charter
 9 school at a location selected by the board within the boundary of the
 10 school corporation. Notwithstanding IC 20-26-7.1, a participating
 11 innovation network charter school may be established within a vacant
 12 school building.

13 ~~(b)~~ **(c)** The terms of the agreement entered into between the board
 14 and an organizer must specify the following:

15 (1) A statement that the organizer authorizes the department to
 16 include the charter school's performance assessment results under
 17 IC 20-31-8 when calculating the school corporation's performance
 18 assessment under rules adopted by the state board.

19 (2) Subject to an administrative fee as described in subsection ~~(g)~~;
 20 **(h)**, a statement that the school corporation will distribute at least
 21 one hundred percent (100%) of state tuition support dollars that
 22 the school corporation receives from student enrollment in the
 23 participating innovation network charter school in accordance
 24 with the school funding formula to the participating innovation
 25 network charter school (if the participating innovation network
 26 charter school is treated in the same manner as a school operated
 27 by the school corporation under subsection ~~(d)(2)~~; **(e)(2)**).

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

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

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

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

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

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

49 ~~(d)~~ **(e)** Upon receipt of the notification under subsection ~~(c)~~; **(d)**, for
 50 school years starting after the date of the agreement:

1 (1) the department shall include the participating innovation
 2 network charter school's performance assessment results under
 3 IC 20-31-8 when calculating the school corporation's performance
 4 assessment under rules adopted by the state board; **and**

5 (2) the department shall treat the participating innovation network
 6 charter school in the same manner as a school operated by the
 7 school corporation when calculating the total amount of state
 8 funding to be distributed to the school corporation unless
 9 subsection ~~(e)~~ **(f)** applies. **and**

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

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

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

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

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

45 SECTION 7. IC 20-25.7-5-2.5 IS ADDED TO THE INDIANA
 46 CODE AS A **NEW SECTION TO READ AS FOLLOWS**
 47 **[EFFECTIVE JULY 1, 2027]: Sec. 2.5. (a) This section applies to a**
 48 **charter school in which the organizer of the charter school has**
 49 **entered into a participating innovation network charter school**
 50 **agreement for that charter school with more than one (1) board.**

- 1 (b) A board may enter into an agreement with an organizer to:
 2 (1) reconstitute an eligible school as a participating innovation
 3 network charter school; or
 4 (2) establish a participating innovation network charter
 5 school at a location:
 6 (A) selected by the board; or
 7 (B) within the geographic boundaries of any school
 8 corporation with which the organizer enters into an
 9 agreement under this section.

10 Notwithstanding IC 20-26-7.1, a participating innovation network
 11 charter school may be established within a vacant school building.

12 (c) The terms of the agreement entered into between a board of
 13 a school corporation and an organizer must specify the following:

14 (1) A statement that the organizer authorizes the department
 15 to include the charter school's performance assessment results
 16 under IC 20-31-8 for students who reside within the
 17 geographic boundaries of the school corporation when
 18 calculating the school corporation's performance assessment
 19 under rules adopted by the state board.

20 (2) Subject to an administrative fee as described in subsection
 21 (h), a statement that the school corporation will distribute at
 22 least one hundred percent (100%) of state tuition support
 23 dollars that the school corporation receives for students who:

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

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

28 in accordance with the school funding formula to the
 29 participating innovation network charter school (if the
 30 participating innovation network charter school is, with
 31 regard to students described in this subsection, treated in the
 32 same manner as a school operated by the school corporation
 33 under subsection (e)(2)).

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

39 (4) The process the board is required to follow in determining
 40 whether to renew the agreement.

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

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

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

50 (d) If an organizer and a board enter into an agreement under
 51 subsection (b), the organizer and the board shall notify the

1 department that the agreement has been made under this section
2 within thirty (30) days after the agreement is entered into.

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

5 (1) the department shall include the participating innovation
6 network charter school's performance assessment results
7 under IC 20-31-8 for students who reside within the
8 geographic boundaries of the school corporation when
9 calculating the school corporation's performance assessment
10 under rules adopted by the state board; and

11 (2) the department shall:
12 (A) treat the participating innovation network charter
13 school in the same manner as a school operated by the
14 school corporation with regard to students residing within
15 the geographic boundaries of the school corporation when
16 calculating the total amount of state funding to be
17 distributed to the school corporation unless subsection (f)
18 applies; and
19 (B) in determining the school corporation's enrollment,
20 include only eligible pupils enrolled in the participating
21 innovation network charter school who reside within the
22 geographic boundaries of the school corporation.

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

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

40 (h) If an administrative fee is included in an agreement entered
41 into or renewed under this section after June 30, 2027, each school
42 corporation with which an organizer of a participating innovation
43 network charter school has entered into an agreement may assess
44 an administrative fee of not more than one percent (1%) of the
45 tuition support dollars that the school corporation receives for
46 students who:

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

51 (i) An agreement entered into between the board and an

1 **organizer under this section may not be altered without written**
 2 **approval from the organizer.**

3 SECTION 8. IC 20-25.7-5-2.7 IS ADDED TO THE INDIANA
 4 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 5 [EFFECTIVE JULY 1, 2027]: **Sec. 2.7. (a) This section applies to a**
 6 **participating innovation network charter school described in**
 7 **section 2.5(a) of this chapter.**

8 **(b) In addition to any state tuition support dollars a**
 9 **participating innovation network charter school receives from a**
 10 **school corporation under this chapter, the department shall treat**
 11 **the participating innovation network charter school as a charter**
 12 **school when calculating the tuition support to be distributed to the**
 13 **innovation network charter school for students of the innovation**
 14 **network charter school who do not reside within the geographic**
 15 **boundaries of a school corporation with which the innovation**
 16 **network charter school has an agreement under this chapter.**

17 SECTION 9. IC 20-25.7-5-5, AS AMENDED BY P.L.220-2021,
 18 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JULY 1, 2027]: **Sec. 5. (a) IC 20-24-5-5 (with the exception of**
 20 **IC 20-24-5-5(g)) does not apply to a participating innovation network**
 21 **charter school that enters into an agreement with the board to**
 22 **reconstitute or establish an eligible school.**

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

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

29 **(1) ensure that any student with legal settlement in the attendance**
 30 **area or, if the school does not have a defined attendance area,**
 31 **any student:**

32 **(A) for a participating innovation network charter school**
 33 **described in section 2(a) of this chapter, in the school**
 34 **corporation; if the school does not have a defined attendance**
 35 **area; or**

36 **(B) for a participating innovation network charter school**
 37 **described in section 2.5(a) of this chapter, in any school**
 38 **corporation with which the participating innovation**
 39 **network charter school has entered into an agreement**
 40 **under this chapter;**

41 may attend the charter school;

42 **(2) ensure that a student who attends the participating innovation**
 43 **network charter school during a school year may continue to**
 44 **attend the charter school in subsequent years;**

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

48 **(4) allow preschool students who attend a Level 3 or Level 4**
 49 **Paths to QUALITY program preschool to attend kindergarten at**
 50 **the participating innovation network charter school if the**
 51 **participating innovation network charter school and the school**

- 1 corporation or preschool provider have entered into an agreement
 2 to share services or facilities;
- 3 (5) allow each student who qualifies for free or reduced price
 4 lunch under the national school lunch program to receive
 5 preference for admission to the participating innovation network
 6 charter school if the preference is specifically provided for in the
 7 charter and is approved by the authorizer; and
- 8 (6) allow each student who attended a turnaround academy or
 9 attends a school that is located in the same school building as the
 10 participating innovation network charter school to receive
 11 preference for admission to the participating innovation network
 12 charter school if the preference is specifically provided for in the
 13 participating innovation network charter school's charter and is
 14 approved by the authorizer of the participating innovation
 15 network charter school.
- 16 (d) A participating innovation network charter school with a
 17 curriculum that includes study in a foreign country may deny admission
 18 to a student if:
- 19 (1) the student:
- 20 (A) has completed fewer than twenty-two (22) academic
 21 credits required for graduation; and
- 22 (B) will be in the grade 11 cohort during the school year in
 23 which the student seeks to enroll in the participating
 24 innovation network charter school; or
- 25 (2) the student has been suspended (as defined in IC 20-33-8-7)
 26 or expelled (as defined in IC 20-33-8-3) during the twelve (12)
 27 months immediately preceding the student's application for
 28 enrollment for:
- 29 (A) ten (10) or more school days;
- 30 (B) a violation under IC 20-33-8-16;
- 31 (C) causing physical injury to a student, a school employee, or
 32 a visitor to the school; or
- 33 (D) a violation of a school corporation's drug or alcohol rules.
- 34 For purposes of subdivision (2)(A), student discipline received under
 35 IC 20-33-8-25(b)(7) for a violation described in subdivision (2)(B)
 36 through (2)(D) must be included in the calculation of the number of
 37 school days that a student has been suspended.
- 38 (e) A participating innovation network charter school may give
 39 enrollment preferences to children of the participating innovation
 40 network charter school's founders, governing board members, and
 41 participating innovation network charter school employees, as long as
 42 the enrollment preference under this subsection is not given to more
 43 than ten percent (10%) of the participating innovation charter school's
 44 total population and there is sufficient capacity for a program, class,
 45 grade level, or building to ensure that any student with legal settlement
 46 in the attendance area may attend the school.
- 47 (f) This subsection applies to an existing charter school that enters
 48 into an innovation network agreement with the board. During the
 49 charter school's first year of operation as a participating innovation
 50 network charter school, the charter school may limit admission to:

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

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

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

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

30 **(b) Subject to an administrative fee as described in section**
31 **2.5(h) of this chapter, a school corporation that enters into an**
32 **agreement with an organizer under section 2.5 of this chapter shall**
33 **distribute at least one hundred percent (100%) of state tuition**
34 **support dollars that the school corporation receives from students**
35 **who:**

36 **(1) reside in the geographic boundaries of the school**
37 **corporation; and**

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

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

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

47 SECTION 11. IC 20-26-7-47, AS AMENDED BY HEA 1423-2026,
48 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
49 UPON PASSAGE]: Sec. 47. (a) The following definitions apply
50 throughout this section:

51 (1) "Covered school building" has the meaning set forth in

- 1 IC 20-26-7.1-2.1.
- 2 (2) "Current school year" refers to a year in which the governing
3 body is required to conduct a review of school building usage
4 under subsection (c).
- 5 (3) "Enrollment" refers to the following:
- 6 (A) Except as provided in clause (B), students counted in
7 ADM (as defined in IC 20-43-1-6) in the first count date for a
8 school year fixed under IC 20-43-4-3.
- 9 (B) With regard to a school corporation, students counted in a
10 school corporation's fall count of ADM minus all students
11 counted in the fall count of ADM who are enrolled in eligible
12 schools that:
- 13 (i) have entered into an agreement with the school
14 corporation to participate as a participating innovation
15 network charter school under IC 20-25.7-5; and
- 16 (ii) are included in the school corporation's fall ADM count.
- 17 (4) "Interested person" has the meaning set forth in
18 IC 20-26-7.1-2.2.
- 19 (b) This section:
- 20 (1) applies to a school corporation only if:
- 21 (A) the total student enrollment for in-person instruction in the
22 school corporation in the current school year is at least ten
23 percent (10%) less than the student enrollment for in-person
24 instruction in the school corporation in a school year that
25 precedes the current school year by five (5); and
- 26 (B) the school corporation in the current school year has more
27 than one (1) school building serving the same grade level as
28 the school building subject to closure under this section; and
- 29 (2) does not apply to a school city (as defined in IC 20-25-2-12).
- 30 (c) Each school year, the governing body of a school corporation
31 shall review the usage of school buildings used by the school
32 corporation to determine whether any school building should be closed
33 for the ensuing school year and subsequent school years.
- 34 (d) A school corporation shall close a school building for the
35 ensuing school year (and subsequent school years) if:
- 36 (1) at any time the school building had been used for classroom
37 instruction;
- 38 (2) in the current school year and the two (2) school years
39 immediately preceding the current school year the school building
40 was underutilized for classroom instruction purposes or other
41 allowable uses specified by this section;
- 42 (3) as of the end of the school year before the school building is
43 required to be closed under this section, the school corporation
44 was not subject to a transitional plan adopted by the governing
45 body and approved by the department to use the school building
46 for an allowable use not later than the next school year after the
47 school building is otherwise required to be closed under this
48 section;
- 49 (4) in the case of a school building that was used in any part in the
50 current school year for instructional purposes, the school

- 1 corporation has another school building **or other school**
 2 **buildings:**
 3 (A) with sufficient capacity to take the students using the
 4 school building being considered for closure; and
 5 (B) that does not require more than twenty (20) minutes of
 6 travel time by car or bus from the school building being
 7 considered for closure; and
 8 (5) the school building is not a school building described in
 9 IC 20-26-7.1-1, IC 20-26-7.1-3(b), IC 20-26-7.1-3(c), or
 10 IC 20-26-7.1-3(d).
- 11 (e) For purposes of this section, a school building is underutilized
 12 in a school year if the school building is not used for any of the
 13 following allowable uses:
- 14 (1) The number of full-time equivalent students enrolled for
 15 in-person instruction in the school building on instructional days
 16 (as determined under IC 20-30-2) for instructional purposes,
 17 averaged over the current school year and the two (2) school years
 18 immediately preceding the current school year, is at least fifty
 19 percent (50%) of:
- 20 (A) the known classroom design capacity of the school
 21 building; or
 22 (B) if the design capacity is not known, the average maximum
 23 full-time equivalent enrollment in any of the last twenty-five
 24 (25) years, as validated by records created or maintained by
 25 the department.
- 26 (2) The school corporation demonstrates through facts included
 27 in a resolution that the school building is being used and that it is
 28 financially prudent to continue to use the school building,
 29 considering all community resources, for a distinct student
 30 population that reasonably cannot be served through integration
 31 with the general school population, such as students attending an
 32 alternative education program (as defined in IC 20-30-8-1).
 33 However, to be an allowable use under this subdivision, the
 34 average number of full-time equivalent students using the school
 35 building in a school year for instructional purposes must be at
 36 least thirty percent (30%) of:
- 37 (A) the known classroom design capacity of the school
 38 building; or
 39 (B) if the design capacity is not known, the average maximum
 40 full-time equivalent enrollment in any of the last twenty-five
 41 (25) years, as validated by records created or maintained by
 42 the department; and
 43 (if multiple school buildings are used for the same purposes)
 44 combining the student populations into fewer school buildings is
 45 not reasonably feasible.
- 46 (3) The school corporation demonstrates through facts included
 47 in a resolution that the school building is being used and that it is
 48 financially prudent to continue to use the school building,
 49 considering all community resources, for administrative or other
 50 school offices. However, to be an allowable use under this

1 subdivision, at least fifty percent (50%) of the square footage of
 2 the school building must be used for offices, the personnel
 3 headquartered in the school building must consistently use the
 4 space for office purposes, and the occupancy cost of using the
 5 school building cannot be more than comparable office space that
 6 is available in the school district.

7 (4) The school corporation demonstrates through facts included
 8 in a resolution that the school building is being used and that it is
 9 financially prudent to continue to use the school building,
 10 considering all community resources, for storage. However, to be
 11 an allowable use under this subdivision, at least fifty percent
 12 (50%) of the square footage of the school building must be used
 13 for storage, on average the storage space must be used to capacity,
 14 and the cost of using the school building for storage must be less
 15 than comparable storage space that is available in the school
 16 district.

17 (5) The school corporation demonstrates through facts included
 18 in a resolution that the school building is being used and that it is
 19 financially prudent to continue to use the school building,
 20 considering all community resources, for a combination of office
 21 space and storage. However, to be an allowable use under this
 22 subdivision, at least fifty percent (50%) of the square footage of
 23 the school building must be used for a combination of office
 24 space and storage and:

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

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

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

36 (1) owned by the school corporation or any other entity that is
 37 related in any way to, or created by, the school corporation or the
 38 governing body; or

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

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

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

48 (h) If an agreement is not reached within forty-five (45) days after
 49 the date that the school corporation receives the notice under
 50 subsection (g), the charter school or state educational institution may

1 petition the department to initiate or the department on its own may
 2 initiate a proceeding for a determination as to whether a school
 3 building meets the criteria for closure under this section or a covered
 4 school building that is no longer used for classroom instruction by a
 5 school corporation should be made available under IC 20-26-7.1. If a
 6 charter school or state educational institution petitions the department
 7 under this subsection, the charter school or state educational institution
 8 must provide a copy of the petition to the applicable school
 9 corporation.

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

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

18 (1) file a response to the petition that notifies the department that
 19 the school corporation:

20 (A) is not contesting the petition; or

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

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

25 (k) If the school corporation:

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

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

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

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

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

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

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

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

49 ~~(o) Upon the issuance of a final unappealable order granting a~~
 50 ~~petition, the school corporation shall make the school building~~

1 ~~available for lease or purchase in accordance with IC 20-26-7.1.~~

2 SECTION 12. IC 20-26-7-48, AS AMENDED BY HEA 1423-2026,
3 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 UPON PASSAGE]: Sec. 48. (a) The following definitions apply
5 throughout this section:

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

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

11 (b) This section:

12 (1) applies to a school corporation only if:

13 (A) the total student enrollment for in-person instruction in the
14 school corporation in the current school year is at least ten
15 percent (10%) less than the student enrollment for in-person
16 instruction in the school corporation in a school year that
17 precedes the current school year by five (5); and

18 (B) the school corporation in the current school year has more
19 than one (1) school building serving the same grade level as a
20 school building subject to closure under section 47 of this
21 chapter; and

22 (2) does not apply to a school city (as defined in IC 20-25-2-12).

23 (c) **Beginning July 1, 2027**, each school corporation shall annually
24 report to the department, in the form and on the schedule specified by
25 the department, the following information:

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

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

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

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

35 (C) The following information:

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

40 (ii) Percentage of instructional use.

41 (iii) Percentage of use for other purposes.

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

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

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

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

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

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

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

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

43 (g) The department shall, not later than sixty (60) days after the date
 44 that **a response is filed under IC 20-26-7-47(l) or** a rebuttal is ~~due~~
 45 **submitted** under subsection (f), issue a determination to the ~~school~~
 46 **corporation and interested persons parties to the proceeding** as to
 47 whether the covered school building must be made available under this
 48 chapter. The department shall publish a copy of the ~~department's~~
 49 determination on the department's website.

50 (h) Not later than ~~thirty (30)~~ **sixty (60)** days after the date that the

1 department issues a determination under subsection (g), a ~~school~~
 2 ~~corporation or interested person party to the proceeding~~ may appeal
 3 the determination to **file with the state board a petition requesting**
 4 **review of the department's determination.** An appeal to the state
 5 board shall be subject to the procedure described in IC 20-26-11-15(b).

6 (i) Not later than fifteen (15) days after:

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

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

12 the governing body shall take the actions specified by subsection (j). If
 13 the governing body fails to take the actions, the department shall
 14 request that the attorney general enforce the order under section 9(a)
 15 of this chapter.

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

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

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

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

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

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

44 ~~(j)~~ (l) Not later than fifteen (15) days after the department
 45 provides notice to interested parties under subsection (d) that a
 46 covered school building is to be ~~made available~~, **closed**, the governing
 47 body shall do the following:

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

- 1 (2) Make the following information available to a charter school
 2 or state educational institution described in subdivision (1):
 3 (A) Estimates of the operating expenses for the covered school
 4 building for the past three (3) years.
 5 (B) Written information regarding the condition of the covered
 6 school building, including the age of the roof and the HVAC
 7 system, and any known conditions which, in the governing
 8 body's opinion, require prompt repair or replacement.
 9 (C) A legal description of the property.
- 10 ~~(k)~~ **(m)** If the governing body fails to take the actions required under
 11 subsection ~~(j)~~; **(l)**, a charter school having notified the school
 12 corporation of its interest in the covered school building is entitled to
 13 an injunction requiring the governing body to take the actions under
 14 subsection ~~(j)~~; **(l)**.
- 15 ~~(h)~~ **(n)** The school corporation shall lease the covered school
 16 building to a charter school or state educational institution for one
 17 dollar (\$1) per year for as long as the state educational institution uses
 18 the covered school building for an academic purpose or the charter
 19 school uses the covered school building for classroom instruction, for
 20 a term at the state educational institution's or charter school's
 21 discretion, or sell the covered school building for one dollar (\$1), if the
 22 charter school or state educational institution does the following:
- 23 (1) Within ninety (90) days of receiving the department's notice
 24 under subsection (d), a charter school or state educational
 25 institution must submit a preliminary request to purchase or lease
 26 the covered school building.
- 27 (2) Subject to subsection ~~(m)~~; **(o)**, within ninety (90) days of
 28 receiving the department's notice under subsection (d), a charter
 29 school or state educational institution must submit to the school
 30 corporation the following information:
- 31 (A) The name of the charter school or state educational
 32 institution that is interested in leasing or purchasing the
 33 covered school building.
- 34 (B) A time frame, which may not exceed three (3) years from
 35 the date that the covered school building is to be closed, no
 36 longer used, or no longer occupied, in which the:
- 37 (i) charter school intends to begin providing classroom
 38 instruction in the covered school building; or
 39 (ii) state educational institution intends to begin using the
 40 covered school building for an academic purpose.
- 41 (C) A resolution, adopted by the board of the charter school or
 42 state educational institution stating that the board of the
 43 charter school or state educational institution has determined
 44 that, after the charter school or state educational institution has
 45 made any necessary repairs or modifications, the covered
 46 school building will be sufficient to meet the charter school's
 47 or state educational institution's needs and can be operated
 48 within the charter school's or state educational institution's
 49 budget.
- 50 ~~(m)~~ **(o)** If the department does not receive any preliminary requests

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

13 ~~(m)~~ **(p)** If only one (1) charter school submits a preliminary request
 14 to purchase or lease the covered school building, the department shall
 15 notify the school corporation of the identity of the charter school and
 16 direct the school corporation to complete a sale or lease to the charter
 17 school in accordance with subsection ~~(r)~~; **(t)**. In the event that two (2)
 18 or more charter schools submit a preliminary request to purchase or
 19 lease a covered school building within the time frame described in
 20 subsection ~~(f)(1)~~; **(n)(1)**, the department shall send notification to each
 21 interested person and the school corporation that the department has
 22 received two (2) or more preliminary requests under this section. An
 23 authorizer committee shall be established, with each statewide
 24 authorizer that has authorized one (1) or more charter schools
 25 appointing a representative, and the committee shall establish the
 26 chairperson and procedures for the committee. Within sixty (60) days
 27 of receiving notice under this subsection, the committee shall select
 28 which charter school may proceed under subsection ~~(r)~~ **(t)** to purchase
 29 or lease the covered school building or determine if two (2) or more
 30 charter schools should co-locate within the covered school building.
 31 The committee shall base the committee's decision on the following
 32 criteria:

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

40 In the event that the committee determines that two (2) or more charter
 41 schools should co-locate in the covered school building, the charter
 42 schools have sixty (60) days to submit a memorandum of
 43 understanding stating that the charter schools shall be jointly and
 44 severally liable for the obligations related to the sale or lease of the
 45 covered school building, and specifying how the charter schools will
 46 utilize the covered school building and share responsibility for
 47 operational, maintenance, and renovation expenses. If the charter
 48 schools are unable to agree, the charter schools shall be deemed to have
 49 revoked their prior request regarding the lease or sale of the covered
 50 school building. The committee shall give notice of the committee's

1 decision to the school corporation and each interested person. A charter
 2 school that is not selected by the committee may appeal the decision to
 3 the state board not more than thirty (30) days after receipt of the
 4 committee's decision. The state board shall issue a final order in the
 5 appeal not more than sixty (60) days after receipt of a properly filed
 6 appeal. Notice of the appeal and the final order in the appeal must be
 7 given to the school corporation.

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

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

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

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

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

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

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

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

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

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

44 or

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

47 The term of the lease shall be established at the charter school's or state
 48 educational institution's discretion and include an option for the state
 49 educational institution or charter school to purchase the covered school
 50 building for one dollar (\$1). Alternatively, the school corporation shall

1 sell the covered school building to the charter school or state
 2 educational institution for one dollar (\$1), if the charter school or state
 3 educational institution has met the requirements set forth in subsection
 4 ~~(t)~~ **(n)** and uses the covered school building in the manner prescribed
 5 by this subsection. If the charter school or state educational institution
 6 selected to lease or purchase the covered school building has met the
 7 requirements under subsection ~~(t)~~; **(n)**, the school corporation has not
 8 more than ~~ninety (90)~~ **thirty (30)** days after the date notice of a final
 9 unappealable decision is received by the school corporation to
 10 complete the lease or sale of the covered school building to the charter
 11 school or state educational institution. If the transaction is not
 12 completed within ~~ninety (90)~~ **thirty (30)** days, the department or the
 13 selected charter school or state educational institution may, under
 14 section 9 of this chapter, request that the attorney general enforce the
 15 sale or lease or may file suit to enforce the sale or lease. If a charter
 16 school or state educational institution has not met the requirements
 17 under subsection ~~(t)~~; **(n)**, the school corporation may sell or otherwise
 18 dispose of the covered school building in accordance with IC 36-1-11,
 19 IC 20-25-4-14, and IC 20-26-5-4(a)(7).

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

29 **(1) Injunctive relief.**

30 **(2) Liquidated damages computed at a rate of ten thousand**
 31 **dollars (\$10,000) per day for each day that exceeds the thirty**

32 **(30) day time frame described in subsection (t).**

33 **(v) A lease or sale of a covered school building to a charter**
 34 **school or a state educational institution under this section includes**
 35 **transfer of:**

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

38 **(2) adjacent parking lots and playgrounds.**

39 SECTION 14. IC 20-26-7.1-5, AS AMENDED BY P.L.135-2025,
 40 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 UPON PASSAGE]: Sec. 5. (a) If:

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

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

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

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

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

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

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

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

27 (d) In the event a:

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

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

32 as a result of being engaged in ongoing renovations for an acquired
 33 covered school building, within ~~two (2)~~ **three (3)** years after acquiring
 34 an occupancy permit for the covered school building, the covered
 35 school building shall revert to the school corporation, which may sell
 36 or otherwise dispose of the covered school building under IC 36-1-11.

37 SECTION 15. IC 20-26-7.1-5.3, AS AMENDED BY P.L.36-2024,
 38 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 UPON PASSAGE]: Sec. 5.3. (a) This section applies to a covered
 40 school building to which the following apply:

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

43 (2) The total student enrollment for in-person instruction in the
 44 school building in the current school year is at least ten percent
 45 (10%) less than the student enrollment for in-person instruction
 46 in the school building in a school year that precedes the current
 47 school year by five (5).

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

1 chapter.

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

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

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

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

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

18 (e) A petition filed under this section is subject to the same
19 procedures under IC 20-26-7-47 as a petition filed under
20 IC 20-26-7-47(h).

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

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

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

38 (1) a grade level screener approved by the department; or

39 (2) a through-year statewide assessment;

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

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

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

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

49 (3) The intervention is:

50 (A) targeted;

51 (B) differentiated; and

- 1 (C) supplemental to Tier I instruction.
- 2 (4) The intervention:
- 3 (A) is aligned with evidence based instructional strategies to
- 4 promote conceptual understanding, procedural fluency, and
- 5 real world problem solving; and
- 6 (B) allows a student opportunities to interact, show progress,
- 7 and demonstrate understanding through rigorous grade level
- 8 content.
- 9 (5) The intervention includes continual assessment and in depth
- 10 analysis of each student's data to inform the flexible movement in
- 11 and out of Tiers II and III.
- 12 **(c) Not later than fifteen (15) days after a school makes a**
- 13 **determination under subsection (a) that a student is at risk, the**
- 14 **school shall provide notice to a parent of the student regarding the**
- 15 **determination. The notification may contain the following:**
- 16 **(1) Specific information about how the student is performing.**
- 17 **(2) Information about the intervention the student will receive**
- 18 **from the school.**
- 19 **(3) A list or description of any recommended resources**
- 20 **available for use at home to support the student's academic**
- 21 **growth in mathematics.**
- 22 **(e) (d) The department shall provide guidance on the multitiered**
- 23 **system that a school is required to provide under subsection (b).**
- 24 SECTION 17. IC 20-43-13-4, AS AMENDED BY P.L.213-2025,
- 25 SECTION 197, IS AMENDED TO READ AS FOLLOWS
- 26 [EFFECTIVE JULY 1, 2027]: Sec. 4. (a) Except as provided in
- 27 subsections (c) and (d), the complexity index is the percentage of the
- 28 school corporation's students who were receiving Supplemental
- 29 Nutrition Assistance Program (SNAP) benefits, Temporary Assistance
- 30 for Needy Families (TANF) benefits, or foster care services as of
- 31 October 1 in the school year ending in the later of:
- 32 (1) 2025; or
- 33 (2) the first year of operation of the school corporation.
- 34 (b) For a conversion charter school, the percentage determined
- 35 under this section is the percentage of the sponsor school corporation.
- 36 (c) Except as provided in subsection (d), the complexity index for
- 37 a school corporation that has entered into an agreement with one (1) or
- 38 more charter schools to participate as an innovation network charter
- 39 school under IC 20-25.7-5 for a state fiscal year is equal to the result
- 40 using the following formula:
- 41 STEP ONE: Determine:
- 42 (A) the school corporation's enrollment; minus
- 43 (B) **the following, as applicable:**
- 44 **(i) For each participating innovation network charter**
- 45 **school described in IC 20-25.7-5-2(a), the enrollment of**
- 46 **each participating innovation network charter school.**
- 47 **(ii) For each participating innovation network charter**
- 48 **school described in IC 20-25.7-5-2.5(a), the enrollment of**
- 49 **students described in IC 20-25.7-5-2.5(c)(2) of each**
- 50 **participating innovation network charter school.**
- 51 STEP TWO: Determine the number of students in the school

- 1 corporation who were receiving Supplemental Nutrition
 2 Assistance Program (SNAP) benefits, Temporary Assistance for
 3 Needy Families (TANF) benefits, or foster care services as of
 4 October 1 in the school year ending in 2025, not including
 5 students enrolled in each participating innovation network charter
 6 school.
- 7 STEP THREE: Divide the result of STEP TWO by the result of
 8 STEP ONE.
- 9 STEP FOUR: Determine the **following, as applicable:**
- 10 (A) For each participating innovation network charter
 11 school described in IC 20-25.7-5-2(a), enrollment of each
 12 participating innovation network charter school.
- 13 (B) For each participating innovation network charter
 14 school described in IC 20-25.7-5-2.5(a), the enrollment of
 15 students described in IC 20-25.7-5-2.5(c)(2) of each
 16 participating innovation network charter school.
- 17 STEP FIVE: Determine, as applicable:
- 18 (A) for each participating innovation network charter
 19 school described in IC 20-25.7-5-2(a), the number of
 20 students in each participating innovation network charter
 21 school; and
- 22 (B) for each participating innovation network charter
 23 school described in IC 20-25.7-5-2.5(a), the number of
 24 students described in IC 20-25.7-5-2.5(c)(2) in each
 25 participating innovation network charter school;
- 26 who were receiving Supplemental Nutrition Assistance Program
 27 (SNAP) benefits, Temporary Assistance for Needy Families
 28 (TANF) benefits, or foster care services as of October 1 in the
 29 school year ending in the later of
- 30 (A) 2025 or
 31 (B) the first year of operation of the participating innovation
 32 network charter school.
- 33 STEP SIX: Divide the result of STEP FIVE by the result of STEP
 34 FOUR.
- 35 STEP SEVEN: For each participating innovation network charter
 36 school, determine the greater of:
- 37 (A) the result of STEP THREE; or
 38 (B) the result of STEP SIX.
- 39 STEP EIGHT: For each participating innovation network charter
 40 school, multiply the result of STEP SEVEN by the result of STEP
 41 FOUR.
- 42 STEP NINE: Determine the sum of:
- 43 (A) the result of STEP TWO; plus
 44 (B) the results of STEP EIGHT, for each participating
 45 innovation network charter school.
- 46 STEP TEN: Determine the sum of:
- 47 (A) the result of STEP ONE; plus
 48 (B) the results of STEP FOUR for each participating
 49 innovation network charter school.
- 50 STEP ELEVEN: Divide the STEP NINE result by the STEP TEN

1 result.

2 (d) If the complexity index of a participating innovation network
3 charter school that was established before January 1, 2016, is, for the
4 current school year, greater than the complexity index for the school
5 corporation with which the innovation network charter school has
6 contracted, the complexity index of the participating innovation
7 network charter school is determined as described in ~~IC 20-25.7-5-2(e)~~.
8 **IC 20-25.7-5-2(f)**.

9 **SECTION 18. An emergency is declared for this act.**

(Reference is to ESB 239 as reprinted February 24, 2026.)

Conference Committee Report
on
Engrossed Senate Bill 239

Signed by:

Senator Rogers
Chairperson

Representative Teshka

Senator Buchanan

Representative Behning

Senate Conferees

House Conferees