

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS
FISCAL IMPACT STATEMENT**

LS 7049
BILL NUMBER: SB 239

NOTE PREPARED: Mar 2, 2026
BILL AMENDED: Feb 27, 2026

SUBJECT: Various Education Matters.

FIRST AUTHOR: Sen. Rogers
FIRST SPONSOR: Rep. Teshka

BILL STATUS: Enrolled

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: *Department of Education:* This bill requires the Department of Education (DOE) 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 DOE's website.

Charter Conversion: The bill 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. It 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.

Innovation Network: This bill allows participating innovation network charter schools to enter into an agreement with more than one school corporation. It 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 DOE.

Sale or Lease of School Buildings: The bill amends certain requirements and procedures that apply to the closure and transfer of covered school buildings. It provides that a lease or sale of a covered school building to a charter school or state educational institution includes certain assets.

Math Proficiency: This bill requires parental notification if a school determines a student is at risk of not achieving grade level proficiency in mathematics.

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

Explanation of State Expenditures: *Charter Conversion:* Current law allows school corporations to convert a school into a charter school under specific circumstances. Beginning in FY 2027, the bill establishes an alternative method to convert schools into charter schools. If this increases the number of conversion charter schools, distributions through the Charter and Innovation Network School Grant Program may also increase. The impact to state expenditures is dependent on the appropriation made to the program.

Tuition Support: Beginning in FY 2028, state Complexity Grant distributions will experience a small but indeterminable impact for each innovation network charter school (INCS) that enters into an agreement with multiple school corporations as allowed under the bill.

Court of Appeals: Under current law, the State Board of Accounts issues a final determination on whether a school building must be made available for sale or lease to a charter school or state educational institution (SEI) for \$1. Interested parties wishing to appeal this decision must file an appeal with the state Court of Appeals. Dependent on the extent this occurs, Court of Appeals workload would increase.

Department of Education (DOE): Before FY 2028, the bill requires DOE to annually update and publish a list of businesses and industry partners who provide incentives to students who graduate with an employment honors plus readiness seal. This is within DOE's routine administrative functions and should be able to be implemented with no additional appropriations.

Additional Information - Charter Conversion: Eligible charter schools receive \$1,400 per ADM through the Charter and Innovation Network School Grant Program. The program received an appropriation of \$52.6 M in FY 2027 but an estimated \$55.3 M will be needed to fully fund distributions under current law. If an augmentation is not able to fund the difference, distributions received by charter schools would be proportionally reduced.

Explanation of State Revenues: *Civil Action:* If additional civil cases occur and court fees are collected, revenue to the state General Fund will increase. The total revenue per case would range between \$100 and \$122. The amount deposited will vary depending on whether the case is filed in a court of record or a municipal court. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in civil, probate, and small claims cases.](#)

State Court of Appeals: The General Fund will experience a revenue increase of \$250 for each additional appeal directly filed with the Court of Appeals as a result of the bill's provisions.

Explanation of Local Expenditures:

Legal Costs: Public school legal expenditures will increase if they choose to file an appeal with the Court of Appeals or are subject to civil action. [See *Explanation of State Revenue.*] Legal costs would increase further for school corporations determined to be the nonprevailing party and responsible for the attorney's fees incurred by the prevailing party.

Sale or Lease of School Buildings: Under current law, a school corporation may, under certain conditions, petition to regain ownership of a building it was previously required to sell or lease for \$1. The bill would require a school corporation to reimburse a charter school for any capital improvements made to the building before the building is returned. This represents an unknown expenditure increase for school corporations

dependent on local action.

Fees: Current law allows INCS to be charged a fee of up to 1% of their state tuition support distribution by their partner school corporation. Under the bill, INCS with multiple partner school corporations may only be charged the 1% fee for students residing within the boundaries of a partner school corporation.

Charter Conversion: School corporation expenditure decreases as a result of this bill are offset by an increase in expenditures for the conversion charter school. The impact to statewide public school expenditures depends on local action.

Math Proficiency: The bill requires public schools to notify parents of students who are found to be at risk of not achieving grade-level proficiency in mathematics. This is a minor workload increase that would be completed with existing staff and resources.

Explanation of Local Revenues: *Civil Action:* If additional cases occur, revenue will be collected by certain local units. If the case is filed in a court of record, the county will receive \$32 and qualifying municipalities will receive a share of \$3. If the case is filed in a municipal court, the county receives \$20, and the municipality will receive \$37. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in civil, probate, and small claims cases.](#)

Fees: School corporations would lose revenue to the extent that INCS are required to pay less in fees to the school corporation. See [*Explanation of Local Expenditures.*]

Charter Conversion: Charter and Innovation Network School Grant Program revenue could increase if more schools are converted into charter schools under the bill. [See *Explanation of State Expenditures.*]

Sale or Lease of School Buildings: Charter schools required to transfer a building back to a school corporation will be reimbursed for any upgrades made to the building by the charter school.

Tuition Support: Charter schools involved in multiple INCS agreements will experience a minor impact to their Complexity Grant distribution.

State Agencies Affected: Department of Education; Indiana Court of Appeals, state educational institutions.

Local Agencies Affected: Trial courts, city and town courts, public schools.

Information Sources: Indiana Supreme Court, Indiana Trial Court Fee Manual; LSA education database; Department of Education.

Legislative Services Agency: *Indiana Handbook of Taxes, Revenues, and Appropriations*, FY 2025.

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