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SENATE BILL No. 239

Proposed Changes to introduced printing by AM023901

DIGEST OF PROPOSED AMENDMENT

Scholarship accounts. Deletes provisions concerning the reversion of funds in education scholarship accounts and career scholarship accounts.

A BILL FOR AN ACT to amend the Indiana Code concerning education.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-21.5-2-4, AS AMENDED BY P.L.132-2019,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2026]: Sec. 4. (a) This article does not apply to any of the
4 following agencies:
5 (1) The governor.
6 (2) The state board of accounts.
7 (3) The state educational institutions.
8 (4) The department of workforce development.
9 (5) The unemployment insurance review board of the department
10 of workforce development.
11 (6) The worker's compensation board of Indiana.
12 (7) The military officers or boards.
13 (8) The Indiana utility regulatory commission.
14 (9) The department of state revenue (excluding an agency action
15 related to the licensure of private employment agencies).
16 (10) The department of local government finance.
17 (11) The Indiana board of tax review.
18 (12) The Indiana department of veterans' affairs.
19 (13) The Indiana veterans' affairs commission.
20 (14) **The state board of education when issuing a final**

2026

IN 239—LS 7049/DI 152



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

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

SECTION 2. IC 6-1.1-17-3.1, AS AMENDED BY P.L.136-2024, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3.1. (a) This section:

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

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

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

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

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

(b) As used in this section, "ADM" refers to the school corporation's average daily membership used to determine the state tuition support distribution under IC 20-43. In the case of a school corporation that has entered into an agreement with one (1) or more charter schools to participate as an innovation network charter school under IC 20-25.7-5, the term includes the average daily membership of **students described in IC 20-25.7-5-2(b)(2)** of any innovation network charter school that is treated as a school operated by the school corporation **with regard to students described in IC 20-25.7-5-2(b)(2)** when calculating the total amount of state tuition support to be distributed to the school corporation.

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

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

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

2026

IN 239—LS 7049/DI 152



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

13 STEP ONE: Subtract:

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

18 (ii) the school corporation's spring count of ADM
 19 made in 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
 23 year preceding by five (5) years the calendar year in which
 24 the property taxes are first due and payable.

25 STEP FOUR: Multiply the STEP THREE amount by one
 26 and 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
 30 or one and six-hundredths (1.06).

31 STEP SEVEN: Determine the lesser of the STEP SIX result
 32 or 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
 35 payable 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
 39 of 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

2026

IN 239—LS 7049/DI 152



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1 [EFFECTIVE JULY 1, 2026]: Sec. 45.5. Beginning July 1, 2027, and
 2 each July 1 thereafter, the department shall:

3 (1) compile a list of business and industry partners that
 4 provide guaranteed incentives to high school students who
 5 earn the honors employment plus seal; and
 6 (2) publish the list described in subdivision (1) on the
 7 department's website.

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

13 (1) votes to convert the school within the school corporation;
 14 and
 15 (2) submits to an authorizer a proposal described in
 16 IC 20-24-3-4 to convert the school within the school
 17 corporation to a charter school.

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

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

23 (1) the school corporation; or
 24 (2) a nonprofit corporation that:
 25 (A) is established by the school corporation;
 26 (B) is incorporated or registered in Indiana;
 27 (C) has been recognized by the Internal Revenue Service
 28 to be tax exempt and maintains such tax exempt status;
 29 and
 30 (D) has an independent board whose members have
 31 been elected or selected under the organizer's
 32 application and that has entered into a contract under
 33 this article to operate a charter school.

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

39 (1) submit a separate proposal for each school to an
 40 authorizer; or
 41 (2) with the approval of the authorizer, operate two (2) or
 42 more schools under a single charter, provided that each



school site:

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

and

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

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

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

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

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

SECTION 169, IS AMENDED TO READ AS FOLLOWS

[EFFECTIVE JULY 1, 2026]: Sec. 2. (a) The A board may enter into

an agreement with an organizer to:

(1) reconstitute an eligible school as a participating innovation

network charter school; or to

(2) establish a participating innovation network charter school at a location:

(A) selected by the board, within the boundary of the school corporation; or

(B) within the geographic boundaries of any school corporation with which the organizer enters into an agreement under this chapter.

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

(b) The terms of the agreement entered into between ~~the~~ **a** board of a school corporation and an organizer must specify the following:

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

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

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

2026

IN 239—LS 7049/DI 152



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3 in accordance with the school funding formula to the
4 participating innovation network charter school (if the
5 participating innovation network charter school is, **with regard**
6 **to students described in this subsection**, treated in the same
7 manner as a school operated by the school corporation under
8 subsection (d)(2)).

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

14 (4) For an agreement entered into or renewed after June 30,
15 2023, the process the board is required to follow in determining
16 whether to renew the agreement.

17 (5) The amount of money levied as property taxes that will be
18 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.

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

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

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

32 (1) the department shall include the participating innovation
33 network charter school's performance assessment results under
34 **IC 20-31-8 for students who reside within the geographic**
35 **boundaries of the school corporation** when calculating the
36 school corporation's performance assessment under rules
37 adopted by the state board; **and**

38 (2) the department shall:

39 (A) treat the participating innovation network charter school
40 in the same manner as a school operated by the school
41 corporation **with regard to students residing within the**
42 **geographic boundaries of the school corporation** when

2026

IN 239—LS 7049/DI 152



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1 calculating the total amount of state funding to be
 2 distributed to the school corporation unless subsection (e)
 3 applies; and

4 **(B) in determining the school corporation's enrollment,
 5 include only eligible pupils enrolled in the participating
 6 innovation network charter school who reside within the
 7 geographic boundaries of the school corporation.**

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

17 This subdivision expires July 1, 2023.

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

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

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



1 **more than one percent (1%) of the tuition support dollars that the**
 2 **school corporation receives for students who:**

3 **(1) reside within the geographic boundaries of the school**
 4 **corporation; and**

5 **(2) are enrolled in the participating innovation network**
 6 **charter school.**

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

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

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

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

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

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

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



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

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

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

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

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

26 (1) the student:

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

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

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

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

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

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

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

42 For purposes of subdivision (2)(A), student discipline received under

2026

IN 239—LS 7049/DI 152



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1 IC 20-33-8-25(b)(7) for a violation described in subdivision (2)(B)
 2 through (2)(D) must be included in the calculation of the number of
 3 school days that a student has been suspended.

4 (e) A participating innovation network charter school may give
 5 enrollment preferences to children of the participating innovation
 6 network charter school's founders, governing board members, and
 7 participating innovation network charter school employees, as long as
 8 the enrollment preference under this subsection is not given to more
 9 than ten percent (10%) of the participating innovation charter school's
 10 total population and there is sufficient capacity for a program, class,
 11 grade level, or building to ensure that any student with legal settlement
 12 in the attendance area may attend the school.

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

17 (1) those students who were enrolled in the charter school on the
 18 date it entered into the innovation network agreement; and
 19 (2) siblings of students described in subdivision (1).

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

36 SECTION 8. IC 20-25.7-5-6, AS ADDED BY P.L.162-2024,
 37 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JULY 1, 2026]: Sec. 6. (a) Subject to an administrative fee as described
 39 in section 2(g) of this chapter, a school corporation that enters into an
 40 agreement with an organizer under this chapter shall distribute at least
 41 one hundred percent (100%) of state tuition support dollars that the
 42 school corporation receives from ~~student enrollment~~ **students who:**



1 **(1) reside in the geographic boundaries of the school**
 2 **corporation; and**
 3 **(2) are enrolled in the participating innovation network charter**
 4 **school;**
 5 in accordance with the school funding formula to the participating
 6 innovation network charter school.
 7 (b) Unless an agreement entered into before July 1, 2024, between
 8 a board and an organizer provides otherwise, all participating
 9 innovation network charter schools operating under existing
 10 agreements with boards as of July 1, 2024, will receive funds as
 11 required under subsection (a).

12 SECTION 9. IC 20-26-7-47, AS AMENDED BY P.L.36-2024,
 13 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 JULY 1, 2026]: Sec. 47. (a) The following definitions apply throughout
 15 this section:

16 (1) "Covered school building" has the meaning set forth in
 17 IC 20-26-7.1-2.1.
 18 (2) "Current school year" refers to a year in which the governing
 19 body is required to conduct a review of school building usage
 20 under subsection (c).
 21 (3) "Enrollment" refers to the following:
 22 (A) Except as provided in clause (B), students counted in
 23 ADM (as defined in IC 20-43-1-6) in the first count date for
 24 a school year fixed under IC 20-43-4-3.
 25 (B) With regard to a school corporation, students counted in
 26 a school corporation's fall count of ADM minus all students
 27 counted in the fall count of ADM who are enrolled in
 28 eligible schools that:
 29 (i) have entered into an agreement with the school
 30 corporation to participate as a participating innovation
 31 network charter school under IC 20-25.7-5; and
 32 (ii) are included in the school corporation's fall ADM
 33 count.
 34 (4) "Interested person" has the meaning set forth in
 35 IC 20-26-7.1-2.2.
 36 (b) This section applies to a school corporation only if:
 37 (1) the total student enrollment for in-person instruction in the
 38 school corporation in the current school year is at least ten
 39 percent (10%) less than the student enrollment for in-person
 40 instruction in the school corporation in a school year that
 41 precedes the current school year by five (5); and
 42 (2) the school corporation in the current school year has more



1 than one (1) school building serving the same grade level as the
 2 school building subject to closure under this section.

3 (c) Each school year, the governing body of a school corporation
 4 shall review the usage of school buildings used by the school
 5 corporation to determine whether any school building should be closed
 6 for the ensuing school year and subsequent school years.

7 (d) A school corporation shall close a school building for the
 8 ensuing school year (and subsequent school years) if:

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

11 (2) in the current school year and the two (2) school years
 12 immediately preceding the current school year the school
 13 building was underutilized for classroom instruction purposes or
 14 other allowable uses specified by this section;

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

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

25 (A) with sufficient capacity to take the students using the
 26 school building being considered for closure; and

27 (B) that does not require more than twenty (20) minutes of
 28 travel time by car or bus from the school building being
 29 considered for closure; and

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

33 (e) For purposes of this section, a school building is underutilized
 34 in a school year if the school building is not used for any of the
 35 following allowable uses:

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

42 (A) the known classroom design capacity of the school



1 building; or
 2 (B) if the design capacity is not known, the average
 3 maximum full-time equivalent enrollment in any of the last
 4 twenty-five (25) years, as validated by records created or
 5 maintained by the department.

6 (2) The school corporation demonstrates through facts included
 7 in a resolution that the school building is being used and that it
 8 is financially prudent to continue to use the school building,
 9 considering all community resources, for a distinct student
 10 population that reasonably cannot be served through integration
 11 with the general school population, such as students attending an
 12 alternative education program (as defined in IC 20-30-8-1).
 13 However, to be an allowable use under this subdivision, the
 14 average number of full-time equivalent students using the school
 15 building in a school year for instructional purposes must be at
 16 least thirty percent (30%) of:
 17 (A) the known classroom design capacity of the school
 18 building; or
 19 (B) if the design capacity is not known, the average
 20 maximum full-time equivalent enrollment in any of the last
 21 twenty-five (25) years, as validated by records created or
 22 maintained by the department; and
 23 (if multiple school buildings are used for the same purposes)
 24 combining the student populations into fewer school buildings
 25 is not reasonably feasible.

26 (3) The school corporation demonstrates through facts included
 27 in a resolution that the school building is being used and that it
 28 is financially prudent to continue to use the school building,
 29 considering all community resources, for administrative or other
 30 school offices. However, to be an allowable use under this
 31 subdivision, at least fifty percent (50%) of the square footage of
 32 the school building must be used for offices, the personnel
 33 headquartered in the school building must consistently use the
 34 space for office purposes, and the occupancy cost of using the
 35 school building cannot be more than comparable office space
 36 that is available in the school district.

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



1 for storage, on average the storage space must be used to
 2 capacity, and the cost of using the school building for storage
 3 must be less than comparable storage space that is available in
 4 the school district.

5 (5) The school corporation demonstrates through facts included
 6 in a resolution that the school building is being used and that it
 7 is financially prudent to continue to use the school building,
 8 considering all community resources, for a combination of office
 9 space and storage. However, to be an allowable use under this
 10 subdivision, at least fifty percent (50%) of the square footage of
 11 the school building must be used for a combination of office
 12 space and storage and:

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

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

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

24 (1) owned by the school corporation or any other entity that is
 25 related in any way to, or created by, the school corporation or the
 26 governing body; or

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

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

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

36 (h) If an agreement is not reached within forty-five (45) days after
 37 the date that the school corporation receives the notice under
 38 subsection (g), the charter school or state educational institution may
 39 petition the department to initiate or the department on its own may
 40 initiate a proceeding for a determination as to whether a school
 41 building meets the criteria for closure under this section or a covered
 42 school building that is no longer used for classroom instruction by a



1 school corporation should be made available under IC 20-26-7.1. If a
 2 charter school or state educational institution petitions the department
 3 under this subsection, the charter school or state educational institution
 4 must provide a copy of the petition to the applicable school
 5 corporation.

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

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

14 (1) file a response to the petition that notifies the department that
 15 the school corporation:

16 (A) is not contesting the petition; or
 17 (B) is contesting the petition and states the facts upon which
 18 the school corporation relies in contesting the petition; and
 19 (2) provide a copy of the response to the petitioner and any
 20 intervening party.

21 (k) If the school corporation:

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

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

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

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

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

36 (2) time period to reply under subsection (l) has expired.

37 (n) **Not later than sixty (60) days after the date that the**
 38 **department issues a determination under subsection (m)**, a school
 39 corporation or another party to the proceeding may file with the state
 40 board a petition requesting review of the department's determination.
 41 Upon receipt of a petition under this subsection, the state board shall
 42 review the department's determination. An appeal to the state board



1 shall be subject to the procedure described in IC 20-26-11-15(b).
 2

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

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

16 (1) Injunctive relief.

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

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

24 (1) Furniture.

25 (2) Kitchen equipment.

26 (3) Interior and exterior maintenance equipment.

27 (4) Property associated with the covered school building and
 28 owned by the school corporation, including property used for
 29 school activities, athletics, recreational facilities, and
 30 parking.

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

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

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

40 (b) This section applies to a school corporation only if:

41 (1) the total student enrollment for in-person instruction in the
 42 school corporation in the current school year is at least ten
 43 percent (10%) less than the student enrollment for in-person



1 instruction in the school corporation in a school year that
 2 precedes the current school year by five (5); and

3 (2) the school corporation in the current school year has more
 4 than one (1) school building serving the same grade level as a
 5 school building subject to closure under section 47 of this
 6 chapter.

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

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

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

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

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

19 (C) The following information:

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

24 (ii) Percentage of instructional use.

25 (iii) Percentage of use for other purposes.

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

30 **(d) A school corporation that fails to report the information
 31 described in subsection (c) to the department within the schedule
 32 specified by the department shall be subject to a state tuition
 33 support monthly distribution reduction of twenty-five percent
 34 (25%) until the report is provided to the department. A school
 35 corporation is entitled to recover the state tuition support lost as a
 36 result of a reduction described in this subsection.**

37 SECTION 11. IC 20-26-7.1-3, AS AMENDED BY P.L.36-2024,
 38 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JULY 1, 2026]: Sec. 3. (a) Except as provided in section 1 of this
 40 chapter or subsection (b), (c), or (d), before a governing body may sell,
 41 exchange, lease, demolish, hold without operating, or dispose of a
 42 covered school building, a governing body shall make available for



1 lease or purchase by a charter school or state educational institution
 2 any covered school building owned by the school corporation or any
 3 other entity that is related in any way to, or created by, the school
 4 corporation or the governing body, including a building corporation,
 5 that the governing body elects to close or the school corporation is
 6 required to close under IC 20-26-7-47, in order for the covered school
 7 building to be used by a:

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

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

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

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

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

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

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

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

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

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

37 (1) The school corporation had, before January 1, 2023, entered
 38 into a lease or memorandum of understanding with a nonprofit
 39 organization exempt from federal taxation under Section
 40 501(c)(3) through 501(c)(7) of the Internal Revenue Code for the
 41 use of the covered school building.



3 (A) continues in effect;
4 (B) is renewed; or

5 (C) is replaced by a new lease or memorandum of
6 understanding that is entered into between the school
7 corporation and the nonprofit organization described in
8 subdivision (1).

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

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

24 (1) at a public meeting; or
25 (2) without formal action.

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

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

2026

IN 239—LS 7049/DI 152



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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 rebuttal is due under subsection (f), issue a determination to the school corporation and interested persons 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 may appeal the determination to the state board. An appeal to the state board shall be subject to the procedure described in IC 20-26-11-15(b) **and shall be considered final and binding on the parties to the proceeding.**

(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 the school corporation or interested person chooses to appeal a final determination issued by the state board under

2026

IN 239—LS 7049/DI 152



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

8 (f) (k) Not later than fifteen (15) days after:

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

12 (2) a **final** determination by the state board that a covered school
 13 building is to be made available is issued;

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

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

22 (1) Make the covered school building available for inspection by
 23 a charter school or state educational institution that notifies the
 24 department that it is interested in leasing or purchasing the
 25 covered school building.

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

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

30 (B) Written information regarding the condition of the
 31 covered school building, including the age of the roof and
 32 the HVAC system, and any known conditions which, in the
 33 governing body's opinion, require prompt repair or
 34 replacement.

35 (C) A legal description of the property.

36 (f) (m) If the governing body fails to take the actions required
 37 under subsection (f); (l), a charter school having notified the school
 38 corporation of its interest in the covered school building is entitled to
 39 an injunction requiring the governing body to take the actions under
 40 subsection (f); (l).

41 (f) (n) The school corporation shall lease the covered school
 42 building to a charter school or state educational institution for one



1 dollar (\$1) per year for as long as the state educational institution uses
 2 the covered school building for an academic purpose or the charter
 3 school uses the covered school building for ~~classroom instruction, an~~
 4 **an educational purpose**, for a term at the state educational institution's or
 5 charter school's discretion, or sell the covered school building for one
 6 dollar (\$1), if the charter school or state educational institution does the
 7 following:

8 (1) Within ninety (90) days of receiving the department's notice
 9 under subsection (d), a charter school or state educational
 10 institution must submit a preliminary request to purchase or
 11 lease the covered school building.

12 (2) Subject to subsection ~~(m)~~, **(o)**, within ninety (90) days of
 13 receiving the department's notice under subsection (d), a charter
 14 school or state educational institution must submit to the school
 15 corporation the following information:

16 (A) The name of the charter school or state educational
 17 institution that is interested in leasing or purchasing the
 18 covered school building.

19 (B) A time frame, which may not exceed three (3) years
 20 from the date that the covered school building is to be
 21 closed, no longer used, or no longer occupied, in which the:

22 (i) charter school intends to begin ~~providing classroom~~
 23 ~~instruction in using~~ the covered school building ~~for an~~
 24 **educational purpose**; or

25 (ii) state educational institution intends to begin using
 26 the covered school building for an academic purpose.

27 (C) A resolution, adopted by the board of the charter school
 28 or state educational institution stating that the board of the
 29 charter school or state educational institution has
 30 determined that, after the charter school or state educational
 31 institution has made any necessary repairs or modifications,
 32 the covered school building will be sufficient to meet the
 33 charter school's or state educational institution's needs and
 34 can be operated within the charter school's or state
 35 educational institution's budget.

36 ~~(m)~~**(o)** If the department does not receive any preliminary requests
 37 to purchase or lease a covered school building within the time frame
 38 described in subsection ~~(t)(1)~~, **(n)(1)**, the department shall send
 39 notification to the school corporation that the department has not
 40 received any preliminary requests to purchase or lease the covered
 41 school building. Upon receipt of the notification under this subsection,
 42 the school corporation may **sell or lease the covered school building**



1 **to the county or municipal government in which the school**
 2 **corporation is located for a mutually agreed upon price. If the**
 3 **county or municipal government does not purchase or lease the**
 4 **covered school building, the school corporation may sell or**
 5 **otherwise dispose of the covered school building in accordance with**
 6 **IC 36-1-11, IC 20-25-4-14, and IC 20-26-5-4(a)(7).**

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

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

34 In the event that the committee determines that two (2) or more charter
 35 schools should co-locate in the covered school building, the charter
 36 schools have sixty (60) days to submit a memorandum of
 37 understanding stating that the charter schools shall be jointly and
 38 severally liable for the obligations related to the sale or lease of the
 39 covered school building, and specifying how the charter schools will
 40 utilize the covered school building and share responsibility for
 41 operational, maintenance, and renovation expenses. If the charter
 42 schools are unable to agree, the charter schools shall be deemed to have



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

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

14 (1) notify the school corporation of the identity of the state
 15 educational institution; and
 16 (2) direct the school corporation to complete a sale or lease to
 17 the state educational institution in accordance with subsection
 18 (f). (t).

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

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

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

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

42 (r) (t) A school corporation shall lease the covered school building



1 for one dollar (\$1) per year to the charter school or state educational
 2 institution for as long as the:

3 (1) charter school uses the covered school building for classroom
 4 instruction for any combination of kindergarten through grade
 5 12; or

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

8 The term of the lease shall be established at the charter school's or state
 9 educational institution's discretion and include an option for the state
 10 educational institution or charter school to purchase the covered school
 11 building for one dollar (\$1). Alternatively, the school corporation shall
 12 sell the covered school building to the charter school or state
 13 educational institution for one dollar (\$1), if the charter school or state
 14 educational institution has met the requirements set forth in subsection [
 15 1] (n) and uses the covered school building in the manner prescribed
 16 by this subsection. If the charter school or state educational institution
 17 selected to lease or purchase the covered school building has met the
 18 requirements under subsection (t), (n), the school corporation has not
 19 more than ~~ninety~~ **ten (10)** days after the date notice of a final
 20 unappealable decision is received by the school corporation to
 21 complete the lease or sale of the covered school building to the charter
 22 school or state educational institution. If the transaction is not
 23 completed within ~~ninety~~ **ten (10)** days, the department or the
 24 selected charter school or state educational institution may, under
 25 section 9 of this chapter, request that the attorney general enforce the
 26 sale or lease or may file suit to enforce the sale or lease. If a charter
 27 school or state educational institution has not met the requirements
 28 under subsection (t), (n), the school corporation may sell or otherwise
 29 dispose of the covered school building in accordance with IC 36-1-11,
 30 IC 20-25-4-14, and IC 20-26-5-4(a)(7).

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

40 **(1) Injunctive relief.**

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



(10) day time frame described in subsection (t).

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

(1) Furniture.

(2) Kitchen equipment.

(3) Interior and exterior maintenance equipment.

(4) Property associated with the covered school building and owned by the school corporation, including property used for school activities, athletics, recreational facilities, and parking.

SECTION 13. IC 20-26-7.1-5, AS AMENDED BY P.L.135-2025,

SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5. (a) If:

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

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

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

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

(c) A charter school or state educational institution that purchases a covered school building assumes total control of the covered school building and must maintain the covered school building, including utilities, insurance, maintenance, and repairs. Except as provided in

2026

IN 239—LS 7049/DI 152



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1 subsection (d), in the event a:

2 (1) charter school does not use the covered school building for [

3 ~~classroom instruction; an educational purpose; or~~

4 (2) state educational institution does not use the covered school

5 building for an academic purpose;

6 within ~~two~~ ~~(2)~~ **three (3)** years after acquiring the covered school

7 building, the covered school building shall revert to the school

8 corporation, which may sell or otherwise dispose of the covered school

9 building under IC 36-1-11.

10 (d) In the event a:

11 (1) charter school does not use the covered school building for [

12 ~~classroom instruction; an educational purpose; or~~

13 (2) state educational institution does not use the covered school

14 building for an academic purpose;

15 as a result of being engaged in ongoing renovations for an acquired

16 covered school building, within ~~two~~ ~~(2)~~ **three (3)** years after acquiring

17 an occupancy permit for the covered school building, the covered

18 school building shall revert to the school corporation, which may sell

19 or otherwise dispose of the covered school building under IC 36-1-11.

20 SECTION 14. IC20-26-7.1-5.3, AS AMENDED BY P.L.36-2024,

21 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

22 JULY 1, 2026]: Sec. 5.3. (a) This section applies to a covered school

23 building to which the following apply:

24 (1) The covered school building was purchased or leased by a

25 charter school under this chapter.

26 (2) The total student enrollment for in-person instruction in the

27 school building in the current school year is at least ten percent

28 (10%) less than the student enrollment for in-person instruction

29 in the school building in a school year that precedes the current

30 school year by five (5).

31 (b) A school corporation may not petition the department under

32 subsection (c) within the first five (5) years after a charter school

33 purchased or initially leased a covered school building under this

34 chapter.

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

36 (A) the number of full-time equivalent students enrolled for

37 in-person instruction in a school building on instructional days

38 (as determined under IC 20-30-2) for instructional purposes for

39 a school year is not at least fifty percent (50%) of the classroom

40 design capacity of the school building; and

41 (B) **it is consistent with the needs of the school corporation's**

42 **strategic plan;**



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

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

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

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

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

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

28 (1) a grade level screener approved by the department; or
 29 (2) a through-year statewide assessment;
 30 the school must provide intervention that meets the requirements under
 31 subsection (b).

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

34 (1) The intervention includes a multilevel system of support that
 35 progresses from less to more intensive support based on the
 36 student's individual needs.
 37 (2) The intervention is aligned to daily Tier I instruction and
 38 standard level learning progressions.
 39 (3) The intervention is:
 40 (A) targeted;
 41 (B) differentiated; and
 42 (C) supplemental to Tier I instruction.



(4) The intervention:

(A) is aligned with evidence based instructional strategies to promote conceptual understanding, procedural fluency, and real world problem solving; and

(B) allows a student opportunities to interact, show progress, and demonstrate understanding through rigorous grade level content.

(5) The intervention includes continual assessment and in depth analysis of each student's data to inform the flexible movement in and out of Tiers II and III.

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

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

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

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

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

(1) 2025; or

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

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

(c) Except as provided in subsection (d), the complexity index for a school corporation that has entered into an agreement with one (1) or more charter schools to participate as an innovation network charter school under IC 20-25.7-5 for a state fiscal year is equal to the result using the following formula:

STEP ONE: Determine:

(A) the school corporation's enrollment; minus

(B) the enrollment of students described in

2026

IN 239—LS 7049/DI 152



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1 **IC 20-25.7-5-2(b)(2)** of each participating innovation
 2 network charter school.

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

10 STEP THREE: Divide the result of STEP TWO by the result of
 11 STEP ONE.

12 STEP FOUR: Determine the enrollment **of students described**
 13 **in IC 20-25.7-5-2(b)(2)** of each participating innovation network
 14 charter school.

15 STEP FIVE: Determine the number of students **described in**
 16 **IC 20-25.7-5-2(b)(2)** in each participating innovation network
 17 charter school who were receiving Supplemental Nutrition
 18 Assistance Program (SNAP) benefits, Temporary Assistance for
 19 Needy Families (TANF) benefits, or foster care services as of
 20 October 1 in the school year ending in the later of:

21 (A) 2025; or
 22 (B) the first year of operation of the participating innovation
 23 network charter school.

24 STEP SIX: Divide the result of STEP FIVE by the result of
 25 STEP FOUR.

26 STEP SEVEN: For each participating innovation network charter
 27 school, determine the greater of:

28 (A) the result of STEP THREE; or
 29 (B) the result of STEP SIX.

30 STEP EIGHT: For each participating innovation network charter
 31 school, multiply the result of STEP SEVEN by the result of
 32 STEP FOUR.

33 STEP NINE: Determine the sum of:

34 (A) the result of STEP TWO; plus
 35 (B) the results of STEP EIGHT, for each participating
 36 innovation network charter school.

37 STEP TEN: Determine the sum of:

38 (A) the result of STEP ONE; plus
 39 (B) the results of STEP FOUR for each participating
 40 innovation network charter school.

41 STEP ELEVEN: Divide the STEP NINE result by the STEP
 42 TEN result.



7 SECTION 17. IC 20-51-1-5, AS AMENDED BY P.L.162-2024,
8 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 JULY 1, 2026]: Sec. 5. "Eligible student" refers to an individual who:

10 (1) has legal settlement in Indiana;
11 (2) is at least four (4) years of age and less than twenty-two (22)
12 years of age on October 1 of the applicable school year; **and**
13 (3) either has been or is currently enrolled in a participating
14 school. **and**

(4) is a member of a household with an annual income of not more than four hundred percent (400%) of the amount required for the individual to qualify for the federal free or reduced price lunch program;

19 ← SECTION 18. IC 20-51.4-4-1, AS AMENDED BY P.L.213-2025;
20 SECTION 211, IS AMENDED TO READ AS FOLLOWS
21 [EFFECTIVE JULY 1, 2026]: Sec. 1. (a) After June 30, 2022, a parent
22 of an eligible student or an emancipated eligible student may establish
23 an Indiana education scholarship account for the eligible student by
24 entering into a written agreement with the department on a form
25 prepared by the department. The department shall establish a date by
26 which an application to establish an ESA account for the upcoming
27 school year must be submitted. However, for a school year beginning
28 after July 1, 2022, applications must be submitted for an eligible
29 student not later than September 1 for the immediately following
30 school year. The ESA account of an eligible student shall be made in
31 the name of the eligible student. The department shall make the
32 agreement available on the website of the department. To be eligible,
33 a parent of an eligible student or an emancipated eligible student
34 wishing to participate in the ESA program must agree that:

35 (1) subject to subsection (i), a grant deposited in the eligible
36 student's ESA account under section 2 of this chapter and any
37 interest that may accrue in the ESA account will be used only for
38 the eligible student's ESA qualified expenses;

39 (2) if the eligible student participates in the CSA program, a
40 grant deposited in the eligible student's ESA account under
41 IE 20-51.4.4.5-3 and any interest that may accrue in the ESA
42 account will be used only for the eligible student's ESA qualified



expenses;

(3) money in the ESA account when the ESA account is terminated reverts **does not revert** to the state general fund **and remains available to provide grants to eligible students under this chapter**;

(4) the parent of the eligible student or the emancipated eligible student will use part of the money in the ESA account:

(A) for the eligible student's study in the subject of reading, grammar, mathematics, social studies, or science; or

(B) for use in accordance with the eligible student's:

(i) individualized education program;

(ii) service plan developed under 511 IAC 7-34;

(iii) choice special education plan developed under 511 IAC 7-49; or

(iv) plan developed under Section 504 of the federal Rehabilitation Act of 1973, 29 U.S.C. 794;

(5) the eligible student will not be enrolled in a school that receives tuition support under IC 20-43; and

(6) the eligible student will take the statewide summative assessment, as applicable based on the eligible student's grade level, as provided under IC 20-32-5.1, or the assessment specified in the eligible student's:

(A) individualized education program developed under IC 20-35;

(B) service plan developed under 511 IAC 7-34;

(C) choice special education plan developed under 511 IAC 7-49; or

(D) plan developed under Section 504 of the federal Rehabilitation Act of 1973, 29 U.S.C. 794.

(b) A parent of an eligible student may enter into a separate agreement under subsection (a) for each child of the parent. However, not more than one (1) ESA account may be established for each eligible student.

(c) The ESA account must be established under subsection (a) by a parent of an eligible student or an emancipated eligible student for a school year on or before a date established by the department which must be at least thirty (30) days before the fall count day of ADM established under IC 20-43-4-3. A parent of an eligible student or an emancipated eligible student may not enter into an agreement under this section or maintain an ESA account under this chapter if the eligible student receives a choice scholarship under IC 20-51-4 for the same school year. An eligible student may not receive a grant under

2026

IN 239—LS 7049/DI 152



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1 section 2 of this chapter if the eligible student is currently included in
 2 a school corporation's ADM count under IC 20-43-4.

3 _____ (d) Except as provided in subsections (e) and (f), an agreement
 4 made under this section is valid for one (1) school year while the
 5 eligible student is in kindergarten through grade 12 and may be
 6 renewed annually. Upon graduation, or receipt of a certificate of
 7 completion under the eligible student's individualized education
 8 program, the eligible student's ESA account is terminated.

9 _____ (e) An agreement entered into under this section terminates[<]
 10 automatically for an eligible student if:

11 _____ (1) the eligible student no longer resides in Indiana while the
 12 eligible student is eligible to receive grants under section 2 of
 13 this chapter; or

14 _____ (2) the ESA account is not renewed within three hundred
 15 ninety-five (395) days after the date the ESA account was either
 16 established or last renewed.

17 If an ESA account is terminated under this section, money in the
 18 eligible student's ESA account, including any interest accrued, reverts
 19 ~~does not revert to the state general fund and remains available to~~
 20 ~~provide grants to eligible students under this chapter.~~

21 _____ (f) An agreement made under this section for an eligible student
 22 while the eligible student is in kindergarten through grade 12 may be
 23 terminated before the end of the school year if the parent of the eligible
 24 student or the emancipated eligible student notifies the department in
 25 a manner specified by the department.

26 _____ (g) A distribution made to an ESA account under section 2 of this
 27 chapter is considered tax exempt as long as the distribution is used for
 28 an ESA qualified expense. The amount is subtracted from the
 29 definition of adjusted federal gross income under IC 6-3-1-3.5 to the
 30 extent the distribution used for the ESA qualified expense is included
 31 in the taxpayer's adjusted federal gross income under the Internal
 32 Revenue Code.

33 _____ (h) The department shall establish a student test number as
 34 described in IC 20-19-3-9.4 for each eligible student.

35 _____ (i) A student described in IC 20-51.4-2-4(3)(B) may not use the
 36 money deposited into the eligible student's ESA account for ESA
 37 qualified expenses described in IC 20-51.4-2-9(a)(3),
 38 IC 20-51.4-2-9(a)(6), IC 20-51.4-2-9(a)(7), or IC 20-51.4-2-9(a)(9).

39 _____ SECTION 19. IC 20-51.4-4-2, AS AMENDED BY P.L.213-2025,
 40 SECTION 212, IS AMENDED TO READ AS FOLLOWS
 41 [EFFECTIVE JULY 1, 2026]: See. 2. (a) An eligible student who
 42 currently maintains an ESA account is entitled to an ESA annual grant



1 amount for each school year until the student graduates or obtains a
 2 certificate of completion under the student's individualized education
 3 program. An eligible student may not receive a grant under this section
 4 after graduating or obtaining a certificate of completion. The ESA
 5 annual grant amount shall be paid from the ESA program fund. The
 6 department shall deposit the ESA annual grant amount under this
 7 section, in quarterly deposits, into an eligible student's ESA account.

8 (b) Except as provided in subsection (c), at the end of the year in
 9 which an ESA account is established, the parent of an eligible student
 10 or the emancipated eligible student may roll over for use in a
 11 subsequent year a maximum of one thousand dollars (\$1,000).
 12 However, for each year thereafter, the parent of the eligible student or
 13 the emancipated eligible student may roll over one thousand dollars
 14 (\$1,000) plus any amount rolled over in a previous year.

15 (c) An eligible student's ESA account shall terminate the later of:
 16 (1) the date the student graduates high school; or
 17 (2) July 1 of the year in the year which the student graduates
 18 high school.

19 Any money, including interest that remains in the eligible student's
 20 ESA account when it terminates under this subsection reverts ~~does not~~
 21 ~~revert to the state general fund and remains available to provide~~
 22 ~~grants to eligible students under this chapter.~~

23 SECTION 20. IC 20-51.4-4-3, AS AMENDED BY P.L.213-2025,
 24 SECTION 213, IS AMENDED TO READ AS FOLLOWS
 25 [EFFECTIVE JULY 1, 2026]: See. 3. (a) The Indiana education
 26 scholarship account program fund is established for the purpose of
 27 providing grants to eligible students under the ESA program. Money
 28 appropriated to the fund may be used to provide grants under this
 29 chapter in the manner prescribed in section 2 of this chapter.

30 (b) The department shall administer the ESA program fund.

31 (c) The ESA program fund consists of the following:

32 (1) Appropriations by the general assembly.

33 (2) Interest deposited in the ESA program fund under subsection
 34 (d).

35 (d) The treasurer of state shall invest money in the ESA program
 36 fund not currently needed to meet the obligations of the ESA program
 37 fund in the same manner as other public money may be invested.
 38 Interest that accrues from these investments shall be deposited in the
 39 ESA program fund.

40 (e) Money in the ESA program fund at the end of a state fiscal year
 41 reverts ~~does not revert to the state general fund and remains in the~~
 42 ~~fund for the purposes of the fund.~~



1 ~~SECTION 21. IC 20-51.4-4-3.5, AS AMENDED BY
2 P.L.213-2025, SECTION 214, IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3.5. (a) The Indiana
4 education scholarship account administration fund is established for the
5 purpose of accepting money for the Indiana education scholarship
6 account program to support administration of the ESA program.~~

7 ~~(b) The department shall administer the fund.~~

8 ~~(c) The fund consists of the following:~~

9 ~~(1) Appropriations by the general assembly.~~

10 ~~(2) Interest deposited in the fund under subsection (d).~~

11 ~~(d) The treasurer of state shall invest money in the fund not
12 currently needed to meet the obligations of the fund in the same
13 manner as other public money may be invested. Interest that accrues
14 from these investments shall be deposited in the fund.~~

15 ~~(e) Money in the fund at the end of a state fiscal year reverts **does
16 not revert to the state general fund and remains in the fund for the
17 purposes of the fund.**~~

18 ~~SECTION 22. IC 20-51.4-4.5-1, AS AMENDED BY
19 P.L.213-2025, SECTION 220, IS AMENDED TO READ AS
20 FOLLOWS [EFFECTIVE JULY 1, 2026]: See. 1. (a) After June 30,
21 2023, a parent of a career scholarship student or an emancipated career
22 scholarship student may establish a career scholarship account for the
23 career scholarship student by entering into a written agreement with the
24 department on a form prepared by the department. An application to
25 establish a CSA account, or an application to participate in the CSA
26 program with an ESA account, must be submitted not later than
27 October 1 for the school year. Subject to subsection (f), the CSA
28 account of a career scholarship student must be made in the name of
29 the career scholarship student. The department shall make the
30 agreement available on the website of the department.~~

31 ~~(b) To be eligible to participate in the CSA program, a parent of
32 a career scholarship student or an emancipated career scholarship
33 student must agree that:~~

34 ~~(1) a grant deposited in the career scholarship student's CSA
35 account under section 3 of this chapter and any interest that may
36 accrue in the CSA account will be used only for the CSA
37 qualified expenses;~~

38 ~~(2) money in the CSA account when the CSA account is
39 terminated reverts **does not revert to the state general fund and
40 remains available to provide grants to career scholarship
41 students under this chapter;** and~~

42 ~~(3) the parent of the career scholarship student or the~~



1 emancipated career scholarship student will use the money in the
 2 CSA account for the career scholarship student to attend one (1)
 3 or more of the sequences, courses, apprenticeships, or programs
 4 of study designated and approved under section 6(a) of this
 5 chapter.

6 ——— (c) A parent of a career scholarship student may enter into a
 7 separate agreement under subsection (a) for each child of the parent.
 8 However, not more than one (1) CSA account may be established for
 9 each career scholarship student.

10 ——— (d) Except as provided under subsection (f), a CSA account must
 11 be established under subsection (a) by a parent of a career scholarship
 12 student or an emancipated career scholarship student for a school year
 13 not later than thirty (30) days after the date that the department
 14 approves an application submitted under subsection (a).

15 ——— (e) Except as provided in section 2 of this chapter, an agreement
 16 made under this section is valid for one (1) school year while the career
 17 scholarship student is in grades 10 through 12 and may be renewed
 18 annually. Upon graduation, or receipt of:

19 ——— (1) a certificate of completion under the career scholarship
 20 student's individualized education program; or
 21 ——— (2) an Indiana high school equivalency diploma under
 22 IC 22-4.1-18;

23 the career scholarship student's CSA account is terminated.

24 ——— (f) If:

25 ——— (1) a parent of a career scholarship student or an emancipated
 26 career scholarship student enters into a written agreement with
 27 the department on a form under subsection (a); and
 28 ——— (2) the career scholarship student participates in the ESA
 29 program under this article;

30 the parent or emancipated career scholarship student must participate
 31 in the CSA program using the student's ESA account instead of
 32 establishing a CSA account. However, if the student ceases to
 33 participate in the ESA program, the parent of the student or the
 34 emancipated student must establish a CSA account to participate in the
 35 ESA program.

36 ——— SECTION 23. IC 20-51.4-4.5-2, AS AMENDED BY
 37 P.L.213-2025, SECTION 221, IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2. (a) An agreement
 39 entered into under section 1 of this chapter terminates automatically for
 40 a career scholarship student if:

41 ——— (1) the career scholarship student no longer resides in Indiana
 42 while the career scholarship student is eligible to receive grants



~~under section 3 of this chapter; or~~

(2) the CSA account is not renewed within three hundred ninety-five (395) days after the date the CSA account was either established or last renewed;

If a CSA account is terminated under this section, money in the career scholarship student's CSA account, including any interest accrued, reverts ~~does not revert~~ to the state general fund ~~and remains~~ available to provide grants to career scholarship students under this chapter.

— (b) An agreement made under section 1 of this chapter for a career scholarship student while the career scholarship student is in grades 10 through 12 may be terminated before the end of the school year if the parent of the career scholarship student or the emancipated career scholarship student notifies the department in a manner specified by the department.

~~(c) A distribution made to a CSA account or ESA account, as applicable, under section 3 of this chapter is considered tax exempt as long as the distribution is used for:~~

~~(1) a CSA qualified expense; or~~

— (2) an ESA qualified expense if the career scholarship student is participating in the ESA program.

The amount is subtracted from the definition of "adjusted gross income" under IC 6-3-1-3.5 to the extent the distribution used for the CSA qualified expense or ESA qualified expense, as applicable, is included in the taxpayer's adjusted federal gross income under the Internal Revenue Code.

— (d) If a career scholarship student does not have a student test number, the department shall establish a student test number as described in IC 20-19-3-9.4 for the career scholarship student. The department shall provide the department information necessary for the department to comply with this subsection.

~~SECTION 24. IC 20-51.4-5-3, AS AMENDED BY P.L.213-2025, SECTION 222, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]:~~ See. 3. (a) A career scholarship student who currently maintains a CSA account or an ESA account and participates in the CSA program is entitled to an annual grant amount for each school year until the student:

~~— (1) graduates; or~~

(2) obtains:

(A) a certificate of completion under the student's individualized education program; or

(B) an Indiana high school equivalency diploma under



~~IC 22-4.1-18.~~

(b) A career scholarship student may not receive a grant under this section after graduating, receiving an Indiana high school equivalency diploma, or obtaining a certificate of completion. The CSA annual grant amount shall be paid from the CSA program fund. The department shall deposit the CSA annual grant amount under this section, in quarterly deposits, into a career scholarship student's:

~~(1) CSA account; or~~

— (2) ESA account if the student participates in the ESA program; in a manner established by the department.

— (c) Except as provided in subsection (d), at the end of the year in which a CSA account is established, the parent of a career scholarship student or the emancipated career scholarship student may roll over for use in a subsequent year a maximum of one thousand dollars (\$1,000). However, for each year thereafter, the parent of the career scholarship student or emancipated eligible student may roll over one thousand dollars (\$1,000) plus any amount rolled over in a previous year.

— (d) A career scholarship student's CSA account shall terminate the later of:

- (1) the date the student graduates high school or obtains an Indiana high school equivalency diploma; or
- (2) July 1 of the year in which the student graduates high school or obtains an Indiana high school equivalency diploma.

Any money, including interest that remains in the career scholarship student's CSA account when it terminates under this subsection, reverts does not revert to the state general fund and remains available to provide grants to career scholarship students under this chapter.

~~SECTION 25. IC 20-51.4-4.5-4, AS AMENDED BY P.L.213-2025, SECTION 223, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]. Sec. 4. (a) The career scholarship account program fund is established for the purpose of providing grants to career scholarship students under the CSA program.~~

~~(b) The department shall administer the CSA program fund.~~

~~(c) The CSA program fund consists of the following:~~

(1) Appropriations by the general assembly.

— (2) Interest deposited in the CSA program fund under subsection (d);

— (d) The treasurer of state shall invest money in the CSA program fund not currently needed to meet the obligations of the CSA program fund in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited in the CSA program fund.



4 ~~SECTION 26~~ I SECTION 18] IC 21-18-15.1-5, AS ADDED
5 BY P.L.74-2019, SECTION 1, IS AMENDED TO READ AS
6 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5. (a) The teacher
7 residency grant pilot program fund is established for the purpose of
8 providing funds to school corporations, ~~and~~ charter schools, **and state**
9 **accredited nonpublic schools** for the development and
10 implementation of teacher residency programs as described in section
11 6 of this chapter.

12 (b) The fund consists of the following:

13 (1) Appropriations made by the general assembly.

(2) Gifts, grants, devises, or bequests made to the commission to achieve the purposes of the fund.

16 (c) The commission shall administer the fund.

16 (d) The expenses of administering the fund shall be paid from
17 money in the fund.
18

23 (f) Money in the fund at the end of a state fiscal year does not
24 revert to the state general fund but remains available to be used for the
25 purposes of this chapter.

26 SECTION ~~27~~¹⁹ [19]. IC 21-18-15.1-6, AS ADDED BY
27 P.L.74-2019, SECTION 1, IS AMENDED TO READ AS FOLLOWS
28 [EFFECTIVE JULY 1, 2026]: Sec. 6. The commission may award
29 grants under the pilot program to an applicant that meets the following
30 requirements:

31 (1) The applicant is a school corporation, or charter school, or
32 **state accredited nonpublic school** that has partnered with one
33 (1) approved postsecondary educational institution to establish
34 a dual enrollment program.

34 and implement a teacher residency program.
35 (2) The legislature shall, in accordance with section 14, take

35 (2) The applicant submits a teacher residency plan that:
36 (A) establishes a teacher residency program in which:
37 (i) participants are teacher trainees and trainees

37 (i) program participants receive teacher training under
38 the teacher residency program for a one (1) year

38 the teacher residency program for a one (1) year
39 period.

39 period; and
40 (ii) program participants and teachers who act as
41 mentors to program participants and the teachers.

41 mentors to program participants under the teacher
42 residency program receive stipends;

2026 IN 239—LS 7049/DI 152

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IN 239—LS 7049/DI 152



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- (B) includes the name and contact information of the approved postsecondary educational institution with which the school corporation, ~~or~~ charter school, **or state accredited nonpublic school** has partnered; and
- (C) includes any other information regarding the teacher residency program that is required by the commission

(3) Any other requirements established by the commission.

SECTION 2~~8~~10. IC 21-18-15.1-7, AS ADDED BY P.L.74-2019, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 7. A school corporation, ~~or~~ charter school, ~~or~~ state accredited nonpublic school that is awarded a grant under section 6 of this chapter:

(1) shall provide stipends to:

(A) program participants; and

(B) teachers who act as mentors to program participants under the teacher residency program; and

(2) may use money from the grant award to pay the approved postsecondary educational institution with which the school corporation, or charter school, or state accredited nonpublic school has partnered for administrative costs incurred by the approved postsecondary educational institution in developing and implementing the teacher residency program.

SECTION 2~~9~~[1]. IC 21-18-15.1-8, AS ADDED BY P.L.74-2019, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 8. The commission shall, upon request, provide technical assistance to school corporations, charter schools, **state accredited nonpublic schools**, and approved postsecondary educational institutions participating in the pilot program in the development of competency based curriculum and support systems for program participants.

SECTION ~~20~~²² [22]. IC 21-18-15.1-9, AS AMENDED BY P.L.214-2025, SECTION 213, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 9. (a) The commission shall annually prepare a report that includes the following:

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

(2) The annual retention rate of teachers employed by a school corporation, or charter school, or state accredited nonpublic school who completed the school corporation's, or charter school's, or state accredited nonpublic school's teacher residency program within the immediately preceding five (5)



1 years.

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

7 (4) The number of teachers who:

8 (A) completed a teacher residency program under this
9 chapter in the immediately preceding five (5) years; and
10 (B) took leadership roles, as determined by the commission,
11 during their employment with a school corporation, **or**
12 charter school, **or state accredited nonpublic school** in
13 Indiana.

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

16 (1) The governor.

17 (2) The general assembly in an electronic format under
18 IC 5-14-6.1

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