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SENATE BILL No. 239

Proposed Changes to January 16, 2026 printing by AM023903

DIGEST OF PROPOSED AMENDMENT

Various changes. Removes SECTIONS 16 through 22 of the current bill that would have: (1) amended the complexity index as it pertains to certain innovation network charter schools; (2) removed the income limits of an eligible student with respect to a scholarship granting organization; and (3) allowed state accredited nonpublic schools to apply for the teacher residency grant pilot program.

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.

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(13) The Indiana veterans' affairs commission.

(14) The state board of education when issuing a final determination described in IC 20-26-7.1-4.

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

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

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

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

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

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

and
does not apply to any other tax year.

(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

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1 be levied by the school corporation for taxes first due and
 2 payable in 2024.

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

5 (d) Notwithstanding any increase in the assessed value of property
 6 from the previous assessment date, for taxes first due and payable in
 7 2025, the total amount of operating referendum tax that may be levied
 8 by a school corporation may not exceed the lesser of the following:

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

15 STEP ONE: Subtract:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 15 (1) **votes to convert the school within the school corporation;**
 16 **and**
- 17 (2) **submits to an authorizer a proposal described in**
 18 **IC 20-24-3-4 to convert the school within the school**
 19 **corporation to a charter school.**
- 20 (b) **The governing body of the school corporation described in**
 21 **subsection (a) may not serve as the authorizer of the charter school**
 22 **converted in accordance with this section.**

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

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

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

- 41 (1) **submit a separate proposal for each school to an**
 42 **authorizer; or**

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

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

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

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

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

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

SECTION 5. IC 20-25.7-5-2, AS AMENDED BY P.L.213-2025, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2. (a) The A board may enter into an agreement with an organizer to:

(1) reconstitute an eligible school as a participating innovation network charter school; or to

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

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

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

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

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

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

(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:**

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

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

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

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

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

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

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

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

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

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

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

(2) the department shall:

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

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1 corporation with regard to students residing within the
 2 geographic boundaries of the school corporation when
 3 calculating the total amount of state funding to be
 4 distributed to the school corporation unless subsection (e)
 5 applies; and

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

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

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

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

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

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1 **organizer of a participating innovation network charter school has**
 2 **entered into an agreement may assess an administrative fee of not**
 3 **more than one percent (1%) of the tuition support dollars that the**
 4 **school corporation receives for students who:**

5 **(1) reside within the geographic boundaries of the school**
 6 **corporation; and**
 7 **(2) are enrolled in the participating innovation network**
 8 **charter school.**

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

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

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

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

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

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

42 (2) ensure that a student who attends the participating innovation

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network charter school during a school year may continue to attend the charter school in subsequent years;

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

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

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

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

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

(1) the student:

- (A) has completed fewer than twenty-two (22) academic credits required for graduation; and
- (B) will be in the grade 11 cohort during the school year in which the student seeks to enroll in the participating innovation network charter school; or

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

- (A) ten (10) or more school days;
- (B) a violation under IC 20-33-8-16;
- (C) causing physical injury to a student, a school employee, or a visitor to the school; or
- (D) a violation of a school corporation's drug or alcohol

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1 rules.

2 For purposes of subdivision (2)(A), student discipline received under
3 IC 20-33-8-25(b)(7) for a violation described in subdivision (2)(B)
4 through (2)(D) must be included in the calculation of the number of
5 school days that a student has been suspended.

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

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

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

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

38 SECTION 8. IC 20-25.7-5-6, AS ADDED BY P.L.162-2024,
39 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
40 JULY 1, 2026]: Sec. 6. (a) Subject to an administrative fee as described
41 in section 2(g) of this chapter, a school corporation that enters into an
42 agreement with an organizer under this chapter shall distribute at least

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1 one hundred percent (100%) of state tuition support dollars that the
 2 school corporation receives from ~~student enrollment~~ **students who:**

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

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

7 in accordance with the school funding formula to the participating
 8 innovation network charter school.

9 (b) Unless an agreement entered into before July 1, 2024, between
 10 a board and an organizer provides otherwise, all participating
 11 innovation network charter schools operating under existing
 12 agreements with boards as of July 1, 2024, will receive funds as
 13 required under subsection (a).

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

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

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

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

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

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

31 (i) have entered into an agreement with the school
 32 corporation to participate as a participating innovation
 33 network charter school under IC 20-25.7-5; and
 34 (ii) are included in the school corporation's fall ADM
 35 count.

36 (4) "Interested person" has the meaning set forth in
 37 IC 20-26-7.1-2.2.

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

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



1 precedes the current school year by five (5); and
 2 (2) the school corporation in the current school year has more
 3 than one (1) school building serving the same grade level as the
 4 school building subject to closure under this section.

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

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

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

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

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

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

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

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

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

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

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1 fifty percent (50%) of:
 2 (A) the known classroom design capacity of the school
 3 building; or
 4 (B) if the design capacity is not known, the average
 5 maximum full-time equivalent enrollment in any of the last
 6 twenty-five (25) years, as validated by records created or
 7 maintained by the department.
 8 (2) The school corporation demonstrates through facts included
 9 in a resolution that the school building is being used and that it
 10 is financially prudent to continue to use the school building,
 11 considering all community resources, for a distinct student
 12 population that reasonably cannot be served through integration
 13 with the general school population, such as students attending an
 14 alternative education program (as defined in IC 20-30-8-1).
 15 However, to be an allowable use under this subdivision, the
 16 average number of full-time equivalent students using the school
 17 building in a school year for instructional purposes must be at
 18 least thirty percent (30%) of:
 19 (A) the known classroom design capacity of the school
 20 building; or
 21 (B) if the design capacity is not known, the average
 22 maximum full-time equivalent enrollment in any of the last
 23 twenty-five (25) years, as validated by records created or
 24 maintained by the department; and
 25 (if multiple school buildings are used for the same purposes)
 26 combining the student populations into fewer school buildings
 27 is not reasonably feasible.
 28 (3) The school corporation demonstrates through facts included
 29 in a resolution that the school building is being used and that it
 30 is financially prudent to continue to use the school building,
 31 considering all community resources, for administrative or other
 32 school offices. However, to be an allowable use under this
 33 subdivision, at least fifty percent (50%) of the square footage of
 34 the school building must be used for offices, the personnel
 35 headquartered in the school building must consistently use the
 36 space for office purposes, and the occupancy cost of using the
 37 school building cannot be more than comparable office space
 38 that is available in the school district.
 39 (4) The school corporation demonstrates through facts included
 40 in a resolution that the school building is being used and that it
 41 is financially prudent to continue to use the school building,
 42 considering all community resources, for storage. However, to be



1 an allowable use under this subdivision, at least fifty percent
 2 (50%) of the square footage of the school building must be used
 3 for storage, on average the storage space must be used to
 4 capacity, and the cost of using the school building for storage
 5 must be less than comparable storage space that is available in
 6 the school district.

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

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

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

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

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

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

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

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

38 (h) If an agreement is not reached within forty-five (45) days after
 39 the date that the school corporation receives the notice under
 40 subsection (g), the charter school or state educational institution may
 41 petition the department to initiate or the department on its own may
 42 initiate a proceeding for a determination as to whether a school

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

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

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

16 (1) file a response to the petition that notifies the department that
 17 the school corporation:

18 (A) is not contesting the petition; or
 19 (B) is contesting the petition and states the facts upon which
 20 the school corporation relies in contesting the petition; and

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

23 (k) If the school corporation:

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

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

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

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

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

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

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

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1 Upon receipt of a petition under this subsection, the state board shall
 2 review the department's determination. An appeal to the state board
 3 shall be subject to the procedure described in IC 20-26-11-15(b).

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

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

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

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

25 (1) Furniture.
 26 (2) Kitchen equipment.
 27 (3) Interior and exterior maintenance equipment.
 28 (4) Property associated with the covered school building and
 29 owned by the school corporation, including property used for
 30 school activities, athletics, recreational facilities, and
 31 parking.

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

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

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

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

42 (1) the total student enrollment for in-person instruction in the

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1 school corporation in the current school year is at least ten
 2 percent (10%) less than the student enrollment for in-person
 3 instruction in the school corporation in a school year that
 4 precedes the current school year by five (5); and
 5 (2) the school corporation in the current school year has more
 6 than one (1) school building serving the same grade level as a
 7 school building subject to closure under section 47 of this
 8 chapter.

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

12 (1) A listing of all buildings owned or leased by the school
 13 corporation that were originally designed as a school building.
 14 (2) The following information for each building listed in
 15 subdivision (1):

16 (A) Designed occupancy, regardless of current use.
 17 (B) Current use (and percentage of use) for classroom
 18 instruction, as special use classrooms, as office space, or as
 19 storage or alternatively the building's status as transitioning
 20 from one (1) use or combination of uses to another.
 21 (C) The following information:
 22 (i) Current average full-time equivalent student
 23 enrollment for in-person instruction in the school
 24 building on instructional days (as determined under
 25 IC 20-30-2) in a school year.
 26 (ii) Percentage of instructional use.
 27 (iii) Percentage of use for other purposes.
 28 (D) Self-evaluation of whether the building qualifies for
 29 closure under section 47 of this chapter or the school board
 30 otherwise intends to close the building and the date closure
 31 will occur (if applicable).

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

39 SECTION 11. IC 20-26-7.1-3, AS AMENDED BY P.L.36-2024,
 40 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 JULY 1, 2026]: Sec. 3. (a) Except as provided in section 1 of this
 42 chapter or subsection (b), (c), or (d), before a governing body may sell,

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1 exchange, lease, demolish, hold without operating, or dispose of a
 2 covered school building, a governing body shall make available for
 3 lease or purchase by a charter school or state educational institution
 4 any covered school building owned by the school corporation or any
 5 other entity that is related in any way to, or created by, the school
 6 corporation or the governing body, including a building corporation,
 7 that the governing body elects to close or the school corporation is
 8 required to close under IC 20-26-7-47, in order for the covered school
 9 building to be used by a:

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

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

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

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

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

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

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

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

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

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

39 (1) The school corporation had, before January 1, 2023, entered
 40 into a lease or memorandum of understanding with a nonprofit
 41 organization exempt from federal taxation under Section

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1 501(c)(3) through 501(c)(7) of the Internal Revenue Code for the
 2 use of the covered school building.

3 (2) The lease or memorandum of understanding described in
 4 subdivision (1):

5 (A) continues in effect;

6 (B) is renewed; or

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

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

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

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

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

26 **(1) at a public meeting; or**

27 **(2) without formal action;**

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

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

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1 requirement to make the covered school building available under this
 2 chapter which is not stated in the notice under this subsection is
 3 waived.

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

8 (d) Not later than fifteen (15) days after the date that the
 9 department receives a notice from a school corporation under
 10 subsection (a), the department shall provide written notice to all
 11 interested persons regarding the notice from the school corporation
 12 submitted under subsection (a).

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

20 (f) If a notice from a school corporation under subsection (a)
 21 includes a claim that the covered school building will not be made
 22 available under this chapter, an interested person may submit to the
 23 department, not later than thirty (30) days after the date the interested
 24 person receives the notice from the department under subsection (d),
 25 a rebuttal to the factual and legal basis for the school corporation's
 26 contention that the covered school building is not required to be made
 27 available under this chapter.

28 (g) The department shall, not later than sixty (60) days after the
 29 date that a rebuttal is due under subsection (f), issue a determination to
 30 the school corporation and interested persons as to whether the covered
 31 school building must be made available under this chapter. The
 32 department shall publish a copy of the department's determination on
 33 the department's website.

34 (h) Not later than ~~thirty (30)~~ **sixty (60)** days after the date that the
 35 department issues a determination under subsection (g), a school
 36 corporation or interested person may appeal the determination to the
 37 state board. An appeal to the state board shall be subject to the
 38 procedure described in IC 20-26-11-15(b) **and shall be considered**
 39 **final and binding on the parties to the proceeding.**

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

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

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

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

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

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

⑦ (l) If Not later than fifteen (15) days after the department provides notice to all interested parties under subsection (d) that [] a covered school building is to be made available, the governing body shall do the following:

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

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

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

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

(C) A legal description of the property.

(k) (m) If the governing body fails to take the actions required under subsection **(j); (l)**, a charter school having notified the school corporation of its interest in the covered school building is entitled to an injunction requiring the governing body to take the actions under subsection **(j); (l)**.

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

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

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

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

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

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

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

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

38 ~~(m)~~**(o)** If the department does not receive any preliminary requests
 39 to purchase or lease a covered school building within the time frame
 40 described in subsection ~~(f)(1)~~, **(n)(1)**, the department shall send
 41 notification to the school corporation that the department has not
 42 received any preliminary requests to purchase or lease the covered

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

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

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

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

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

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

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

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

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

39 In making the committee's determination, the committee shall give
 40 preference to a state educational institution whose proposed use of the
 41 covered school building is assessed as having the greatest educational
 42 benefit for prekindergarten through grade 12 education. A committee



1 determination under this subsection may not be appealed.

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

5 (1) charter school uses the covered school building for classroom
 6 instruction for any combination of kindergarten through grade
 7 12; or

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

10 The term of the lease shall be established at the charter school's or state
 11 educational institution's discretion and include an option for the state
 12 educational institution or charter school to purchase the covered school
 13 building for one dollar (\$1). Alternatively, the school corporation shall
 14 sell the covered school building to the charter school or state
 15 educational institution for one dollar (\$1), if the charter school or state
 16 educational institution has met the requirements set forth in subsection [
 17]
 18 (t)(n) and uses the covered school building in the manner prescribed
 19 by this subsection. If the charter school or state educational institution
 20 selected to lease or purchase the covered school building has met the
 21 requirements under subsection (t)(n), the school corporation has not
 22 more than ninety (90) ten (10) days after the date notice of a final
 23 unappealable decision is received by the school corporation to
 24 complete the lease or sale of the covered school building to the charter
 25 school or state educational institution. If the transaction is not
 26 completed within ninety (90) ten (10) days, the department or the
 27 selected charter school or state educational institution may, under
 28 section 9 of this chapter, request that the attorney general enforce the
 29 sale or lease or may file suit to enforce the sale or lease. If a charter
 30 school or state educational institution has not met the requirements
 31 under subsection (t)(n), the school corporation may sell or otherwise
 32 dispose of the covered school building in accordance with IC 36-1-11,
 33 IC 20-25-4-14, and IC 20-26-5-4(a)(7).

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

(1) Injunctive relief.

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(2) Liquidated damages computed at a rate of ten thousand 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(+) 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

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1 building and must maintain the covered school building, including
 2 utilities, insurance, maintenance, and repairs. Except as provided in
 3 subsection (d), in the event a:

4 (1) charter school does not use the covered school building for [
 5 **classroom instruction; an educational purpose;** or
 6 (2) state educational institution does not use the covered school
 7 building for an academic purpose;
 8 within **two (2) three (3)** years after acquiring the covered school
 9 building, the covered school building shall revert to the school
 10 corporation, which may sell or otherwise dispose of the covered school
 11 building under IC 36-1-11.

12 (d) In the event a:

13 (1) charter school does not use the covered school building for [
 14 **classroom instruction; an educational purpose;** or
 15 (2) state educational institution does not use the covered school
 16 building for an academic purpose;

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

22 SECTION 14. IC 20-26-7.1-5.3, AS AMENDED BY P.L.36-2024,
 23 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 JULY 1, 2026]: Sec. 5.3. (a) This section applies to a covered school
 25 building to which the following apply:

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

28 (2) The total student enrollment for in-person instruction in the
 29 school building in the current school year is at least ten percent
 30 (10%) less than the student enrollment for in-person instruction
 31 in the school building in a school year that precedes the current
 32 school year by five (5).

33 (b) A school corporation may not petition the department under
 34 subsection (c) within the first five (5) years after a charter school
 35 purchased or initially leased a covered school building under this
 36 chapter.

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

38 (A) the number of full-time equivalent students enrolled for
 39 in-person instruction in a school building on instructional days
 40 (as determined under IC 20-30-2) for instructional purposes for
 41 a school year is not at least fifty percent (50%) of the classroom
 42 design capacity of the school building; **and**

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

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

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

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

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

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

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

32 the school must provide intervention that meets the requirements under
33 subsection (b).

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

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

38 student's individual needs.
39 (2) The intervention is aligned to daily Tier I instruction and
40 standard level learning progressions.

40 standard lever learning
41 (3) The intervention is:
42 (A) targeted;

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- (B) differentiated; and
- (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.

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.

(e) (d) The department shall provide guidance on the multtiered 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:

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



1 — STEP ELEVEN: Divide the STEP NINE result by the STEP
 2 TEN result.

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

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

12 — (1) has legal settlement in Indiana;

13 — (2) is at least four (4) years of age and less than twenty-two (22)
 14 years of age on October 1 of the applicable school year; and

15 — (3) either has been or is currently enrolled in a participating
 16 school. and

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

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

28 — (b) The fund consists of the following:

29 — (1) Appropriations made by the general assembly.

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

32 — (c) The commission shall administer the fund.

33 — (d) The expenses of administering the fund shall be paid from
 34 money in the fund.

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

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

42 — SECTION 19. IC 21-18-15.1-6, AS ADDED BY P.L.74-2019,

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1 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 2 JULY 1, 2026]: Sec. 6. The commission may award grants under the
 3 pilot program to an applicant that meets the following requirements:

- 4 (1) The applicant is a school corporation, or charter school, or
 5 state accredited nonpublic school that has partnered with one
 6 (1) approved postsecondary educational institution to establish
 7 and implement a teacher residency program;
- 8 (2) The applicant submits a teacher residency plan that:
 - 9 (A) establishes a teacher residency program in which:
 - 10 (i) program participants receive teacher training under
 11 the teacher residency program for a one (1) year
 12 period; and
 - 13 (ii) program participants and teachers who act as
 14 mentors to program participants under the teacher
 15 residency program receive stipends;
 - 16 (B) includes the name and contact information of the
 17 approved postsecondary educational institution with which
 18 the school corporation, or charter school, or state
 19 accredited nonpublic school has partnered; and
 - 20 (C) includes any other information regarding the teacher
 21 residency program that is required by the commission.
- 22 (3) Any other requirements established by the commission.

23 SECTION 20. IC 21-18-15.1-7, AS ADDED BY P.L.74-2019,
 24 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 JULY 1, 2026]: See. 7. A school corporation, or charter school, or
 26 state accredited nonpublic school that is awarded a grant under
 27 section 6 of this chapter:

- 28 (1) shall provide stipends to:
 - 29 (A) program participants; and
 - 30 (B) teachers who act as mentors to program participants
 31 under the teacher residency program; and
- 32 (2) may use money from the grant award to pay the approved
 33 postsecondary educational institution with which the school
 34 corporation, or charter school, or state accredited nonpublic
 35 school has partnered for administrative costs incurred by the
 36 approved postsecondary educational institution in developing
 37 and implementing the teacher residency program.

38 SECTION 21. IC 21-18-15.1-8, AS ADDED BY P.L.74-2019,
 39 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JULY 1, 2026]: Sec. 8. The commission shall, upon request, provide
 41 technical assistance to school corporations, charter schools, state
 42 accredited nonpublic schools, and approved postsecondary

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1 educational institutions participating in the pilot program in the
2 development of competency based curriculum and support systems for
3 program participants.

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

8 ~~(1) Information regarding school corporations, and charter
9 schools, and state accredited nonpublic schools that participate
10 in the pilot program;~~

11 ~~(2) The annual retention rate of teachers employed by a school
12 corporation, or charter school, or state accredited nonpublic
13 school who completed the school corporation's, or charter
14 school's, or state accredited nonpublic school's teacher
15 residency program within the immediately preceding five (5)
16 years;~~

17 ~~(3) The number of program participants who were not employed
18 by a school corporation, or charter school, or state accredited
19 nonpublic school after completing the school corporation's, or
20 charter school's, or state accredited nonpublic school's teacher
21 residency program;~~

22 ~~(4) The number of teachers who:~~

23 ~~(A) completed a teacher residency program under this
24 chapter in the immediately preceding five (5) years; and~~

25 ~~(B) took leadership roles, as determined by the commission,
26 during their employment with a school corporation, or
27 charter school, or state accredited nonpublic school in
28 Indiana;~~

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

31 ~~(1) The governor;~~

32 ~~(2) The general assembly in an electronic format under
33 IC 5-14-6.⇒~~

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