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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.

SB 239—LS 7049/DI 152



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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

(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

SB 239—LS 7049/DI 152



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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.

SB 239—LS 7049/DI 152



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

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

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

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

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

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

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

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

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

SB 239—LS 7049/DI 152



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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:**

SB 239—LS 7049/DI 152



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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



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

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

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

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

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

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

SB 239—LS 7049/DI 152



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

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

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

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

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

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

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

- (1) ensure that any student with legal settlement in the attendance area, or in ~~the school corporation~~ **any school corporation with which the participating innovation network charter school has entered into an agreement under this chapter** if the school does not have a defined attendance area, may attend the charter school;
- (2) ensure that a student who attends the participating innovation

SB 239—LS 7049/DI 152



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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

**SB 239—LS 7049/DI 152**



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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).

22 (g) This subsection applies if the number of applications for a  
23 program, class, grade level, or building exceeds the capacity of the  
24 program, class, grade level, or building. If a participating innovation  
25 network charter school receives a greater number of applications than  
26 there are spaces for students, each timely applicant must be given an  
27 equal chance of admission. The participating innovation network  
28 charter school that is not in a county containing a consolidated city  
29 must determine which of the applicants will be admitted to the  
30 participating innovation network charter school or the program, class,  
31 grade level, or building by random drawing in a public meeting with  
32 each timely applicant limited to one (1) entry in the drawing. However,  
33 the participating innovation network charter school located in a county  
34 with a consolidated city shall determine which of the applicants will be  
35 admitted to the participating innovation network charter school or the  
36 program, class, grade level, or building by using a publicly verifiable  
37 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

SB 239—LS 7049/DI 152



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

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

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

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

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

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

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

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

(3) "Enrollment" refers to the following:

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

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

(i) have entered into an agreement with the school corporation to participate as a participating innovation network charter school under IC 20-25.7-5; and

(ii) are included in the school corporation's fall ADM count.

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

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

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



SB 239—LS 7049/DI 152

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- 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

SB 239—LS 7049/DI 152



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fifty percent (50%) of:

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

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

(2) The school corporation demonstrates through facts included in a resolution that the school building is being used and that it is financially prudent to continue to use the school building, considering all community resources, for a distinct student population that reasonably cannot be served through integration with the general school population, such as students attending an alternative education program (as defined in IC 20-30-8-1). However, to be an allowable use under this subdivision, the average number of full-time equivalent students using the school building in a school year for instructional purposes must be at least thirty percent (30%) of:

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

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

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

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

(4) The school corporation demonstrates through facts included in a resolution that the school building is being used and that it is financially prudent to continue to use the school building, considering all community resources, for storage. However, to be

SB 239—LS 7049/DI 152



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

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

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

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

(f) Closure of a school building that is:

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

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

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

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

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

**SB 239—LS 7049/DI 152**



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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.

SB 239—LS 7049/DI 152



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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



SB 239—LS 7049/DI 152

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

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

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

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

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

(A) Designed occupancy, regardless of current use.

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

(C) The following information:

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

(ii) Percentage of instructional use.

(iii) Percentage of use for other purposes.

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

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

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

SB 239—LS 7049/DI 152



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

(1) charter school ~~to conduct prekindergarten through grade 12 classroom instruction;~~ **for an educational purpose;** or

(2) state educational institution for an academic purpose.

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

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

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

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

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

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

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

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

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

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

SB 239—LS 7049/DI 152



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

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

(A) continues in effect;

(B) is renewed; or

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

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

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

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

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

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

**(2) without formal action;**

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

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

SB 239—LS 7049/DI 152



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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.**

SB 239—LS 7049/DI 152



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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.

(j) (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 (j). (l). 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.

(j) (l) 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).

SB 239—LS 7049/DI 152



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1        ~~(t)~~ **(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 ~~(t)~~, **(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

SB 239—LS 7049/DI 152



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

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

(1) Preference shall be given to existing charter schools that have a proven track record of student academic performance.

(2) If two (2) or more charter schools of proven academic performance are competing and only one (1) charter school is operating in the county in which the covered school building is located, the charter school in the same county as the covered school building shall be given preference.

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

SB 239—LS 7049/DI 152



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

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

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

(2) direct the school corporation to complete a sale or lease to the state educational institution in accordance with subsection

~~(r)~~ (t).

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

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

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

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

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

SB 239—LS 7049/DI 152



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determination under this subsection may not be appealed.

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

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

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

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

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

**(1) Injunctive relief.**

SB 239—LS 7049/DI 152



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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(t)~~ 4(n) of this chapter;

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

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

(c) A charter school or state educational institution that purchases a covered school building assumes total control of the covered school

SB 239—LS 7049/DI 152



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

(1) charter school does not use the covered school building for ~~classroom instruction~~; **an educational purpose**; or

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

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

(d) In the event a:

(1) charter school does not use the covered school building for ~~classroom instruction~~; **an educational purpose**; or

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

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

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

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

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

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

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

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

SB 239—LS 7049/DI 152



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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.

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

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

14 (f) For purposes of determining classroom design capacity under  
 15 subsection (c), if a charter school reconfigures a school building after  
 16 the charter school leases or purchases the school building, the  
 17 classroom design capacity must be determined based on the  
 18 reconfigured school building and not the classroom design capacity of  
 19 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:

- 30 (1) a grade level screener approved by the department; or  
 31 (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.

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

41 (3) The intervention is:

42 (A) targeted;

SB 239—LS 7049/DI 152



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- 1 (B) differentiated; and  
 2 (C) supplemental to Tier I instruction.  
 3 (4) The intervention:  
 4 (A) is aligned with evidence based instructional strategies  
 5 to promote conceptual understanding, procedural fluency,  
 6 and real world problem solving; and  
 7 (B) allows a student opportunities to interact, show  
 8 progress, and demonstrate understanding through rigorous  
 9 grade level content.  
 10 (5) The intervention includes continual assessment and in depth  
 11 analysis of each student's data to inform the flexible movement  
 12 in and out of Tiers II and III.  
 13 **(c) Not later than fifteen (15) days after a school makes a**  
 14 **determination under subsection (a) that a student is at risk, the**  
 15 **school shall provide notice to a parent of the student regarding the**  
 16 **determination. The notification may contain the following:**  
 17 **(1) Specific information about how the student is performing.**  
 18 **(2) Information about the intervention the student will**  
 19 **receive from the school.**  
 20 **(3) A list or description of any recommended resources**  
 21 **available for use at home to support the student's academic**  
 22 **growth in mathematics.**  
 23 **(c) (d) The department shall provide guidance on the multitiered**  
 24 **system that a school is required to provide under subsection (b).**  
 25 ~~← SECTION 16. IC 20-43-13-4, AS AMENDED BY P.L.213-2025,~~  
 26 ~~SECTION 197, IS AMENDED TO READ AS FOLLOWS~~  
 27 ~~[EFFECTIVE JULY 1, 2026]: Sec. 4. (a) Except as provided in~~  
 28 ~~subsections (c) and (d), the complexity index is the percentage of the~~  
 29 ~~school corporation's students who were receiving Supplemental~~  
 30 ~~Nutrition Assistance Program (SNAP) benefits, Temporary Assistance~~  
 31 ~~for Needy Families (TANF) benefits, or foster care services as of~~  
 32 ~~October 1 in the school year ending in the later of:~~  
 33 ~~—— (1) 2025; or~~  
 34 ~~—— (2) the first year of operation of the school corporation.~~  
 35 ~~—— (b) For a conversion charter school, the percentage determined~~  
 36 ~~under this section is the percentage of the sponsor school corporation.~~  
 37 ~~—— (c) Except as provided in subsection (d), the complexity index for~~  
 38 ~~a school corporation that has entered into an agreement with one (1) or~~  
 39 ~~more charter schools to participate as an innovation network charter~~  
 40 ~~school under IC 20-25.7-5 for a state fiscal year is equal to the result~~  
 41 ~~using the following formula:~~  
 42 ~~—— STEP ONE: Determine:~~

SB 239—LS 7049/DI 152



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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.~~

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SB 239—LS 7049/DI 152



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- 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;~~

SB 239—LS 7049/DI 152



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

— (1) The applicant is a school corporation, or charter school, **or state accredited nonpublic school** that has partnered with one (1) approved postsecondary educational institution to establish and implement a teacher residency program;

— (2) The applicant submits a teacher residency plan that:

— (A) establishes a teacher residency program in which:

— (i) program participants receive teacher training under the teacher residency program for a one (1) year period; and

— (ii) program participants and teachers who act as mentors to program participants under the teacher residency program receive stipends;

— (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 20. 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 21. 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

SB 239—LS 7049/DI 152



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educational institutions participating in the pilot program in the development of competency-based curriculum and support systems for program participants:

~~SECTION 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) years.~~

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

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

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

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

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

~~(1) The governor.~~

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

SB 239—LS 7049/DI 152



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