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SENATE BILL No. 239

Proposed Changes to January 27, 2026 printing by AM023914

DIGEST OF PROPOSED AMENDMENT

Transfer of covered school buildings. Removes provisions from the bill: (1) providing that a charter school or state educational institution may bring a civil cause of action against a school corporation under certain circumstances; and (2) requiring that a lease or sale of a covered school building to a charter school or state educational institution includes certain assets.

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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1 (13) The Indiana veterans' affairs commission.
 2 (14) **The state board of education when issuing a final**
 3 **determination described in IC 20-26-7.1-4.**
 4 (b) This article does not apply to action related to railroad rate and
 5 tariff regulation by the Indiana department of transportation.
 6 SECTION 2. IC 6-1.1-17-3.1, AS AMENDED BY P.L.136-2024,
 7 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 JULY 1, 2026]: Sec. 3.1. (a) This section:
 9 (1) applies only to an operating referendum tax levy under
 10 IC 20-46-1 approved by the voters before January 1, 2023, that
 11 is imposed by a school corporation for taxes first due and
 12 payable in 2024 and 2025;
 13 (2) does not apply to an operating referendum tax levy under
 14 IC 20-46-1:
 15 (A) approved by the voters during a time that the school
 16 corporation imposing the levy was designated as a
 17 distressed political subdivision; or
 18 (B) approved by the voters after December 31, 2022, and
 19 before January 1, 2025, that is imposed by a school
 20 corporation for taxes first due and payable in 2024 or 2025;
 21 and
 22 (3) does not apply to any other tax year.
 23 (b) As used in this section, "ADM" refers to the school
 24 corporation's average daily membership used to determine the state
 25 tuition support distribution under IC 20-43. In the case of a school
 26 corporation that has entered into an agreement with one (1) or more
 27 charter schools to participate as an innovation network charter school
 28 under IC 20-25.7-5, the term includes the average daily membership of
 29 **students described in IC 20-25.7-5-2(b)(2) of any innovation network**
 30 **charter school that is treated as a school operated by the school**
 31 **corporation with regard to students described in**
 32 **IC 20-25.7-5-2(b)(2) when calculating the total amount of state tuition**
 33 **support to be distributed to the school corporation.**
 34 (c) Notwithstanding any increase in the assessed value of property
 35 from the previous assessment date, for taxes first due and payable in
 36 2024, the total amount of operating referendum tax that may be levied
 37 by a school corporation may not exceed the lesser of:
 38 (1) the maximum operating referendum tax that could have been
 39 levied by the school corporation if the maximum referendum rate
 40 was imposed for taxes first due and payable in 2023 multiplied
 41 by one and three-hundredths (1.03); or
 42 (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 5-11~~
 15 ~~<IAC 6> IAC 6-2-10-10 for a period of three (3) years.~~
 16 ~~Beginning with the 2019-2020 school year, the department may~~
 17 ~~not use student growth as the state board's exclusive means to~~
 18 ~~determine an innovation network charter school's category or~~
 19 ~~designation of school improvement. This subdivision expires~~
 20 ~~July 1, 2023.~~

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

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

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

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

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

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

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

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

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

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

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

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- 1 (2) ensure that a student who attends the participating innovation
- 2 network charter school during a school year may continue to
- 3 attend the charter school in subsequent years;
- 4 (3) allow the siblings of a student alumnus or a current student
- 5 who attends the participating innovation network charter school
- 6 to attend the charter school;
- 7 (4) allow preschool students who attend a Level 3 or Level 4
- 8 Paths to QUALITY program preschool to attend kindergarten at
- 9 the participating innovation network charter school if the
- 10 participating innovation network charter school and the school
- 11 corporation or preschool provider have entered into an
- 12 agreement to share services or facilities;
- 13 (5) allow each student who qualifies for free or reduced price
- 14 lunch under the national school lunch program to receive
- 15 preference for admission to the participating innovation network
- 16 charter school if the preference is specifically provided for in the
- 17 charter and is approved by the authorizer; and
- 18 (6) allow each student who attended a turnaround academy or
- 19 attends a school that is located in the same school building as the
- 20 participating innovation network charter school to receive
- 21 preference for admission to the participating innovation network
- 22 charter school if the preference is specifically provided for in the
- 23 participating innovation network charter school's charter and is
- 24 approved by the authorizer of the participating innovation
- 25 network charter school.
- 26 (d) A participating innovation network charter school with a
- 27 curriculum that includes study in a foreign country may deny admission
- 28 to a student if:
- 29 (1) the student:
- 30 (A) has completed fewer than twenty-two (22) academic
- 31 credits required for graduation; and
- 32 (B) will be in the grade 11 cohort during the school year in
- 33 which the student seeks to enroll in the participating
- 34 innovation network charter school; or
- 35 (2) the student has been suspended (as defined in IC 20-33-8-7)
- 36 or expelled (as defined in IC 20-33-8-3) during the twelve (12)
- 37 months immediately preceding the student's application for
- 38 enrollment for:
- 39 (A) ten (10) or more school days;
- 40 (B) a violation under IC 20-33-8-16;
- 41 (C) causing physical injury to a student, a school employee,
- 42 or a visitor to the school; or

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

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

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

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

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

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

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1 agreement with an organizer under this chapter shall distribute at least
2 one hundred percent (100%) of state tuition support dollars that the
3 school corporation receives from ~~student enrollment~~ **students who:**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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1 instruction in the school corporation in a school year that
 2 precedes the current school year by five (5); and
 3 (2) the school corporation in the current school year has more
 4 than one (1) school building serving the same grade level as the
 5 school building subject to closure under this section.
 6 (c) Each school year, the governing body of a school corporation
 7 shall review the usage of school buildings used by the school
 8 corporation to determine whether any school building should be closed
 9 for the ensuing school year and subsequent school years.
 10 (d) A school corporation shall close a school building for the
 11 ensuing school year (and subsequent school years) if:
 12 (1) at any time the school building had been used for classroom
 13 instruction;
 14 (2) in the current school year and the two (2) school years
 15 immediately preceding the current school year the school
 16 building was underutilized for classroom instruction purposes or
 17 other allowable uses specified by this section;
 18 (3) as of the end of the school year before the school building is
 19 required to be closed under this section, the school corporation
 20 was not subject to a transitional plan adopted by the governing
 21 body and approved by the department to use the school building
 22 for an allowable use not later than the next school year after the
 23 school building is otherwise required to be closed under this
 24 section;
 25 (4) in the case of a school building that was used in any part in
 26 the current school year for instructional purposes, the school
 27 corporation has another school building:
 28 (A) with sufficient capacity to take the students using the
 29 school building being considered for closure; and
 30 (B) that does not require more than twenty (20) minutes of
 31 travel time by car or bus from the school building being
 32 considered for closure; and
 33 (5) the school building is not a school building described in
 34 IC 20-26-7.1-1, IC 20-26-7.1-3(b), IC 20-26-7.1-3(c), or
 35 IC 20-26-7.1-3(d).
 36 (e) For purposes of this section, a school building is underutilized
 37 in a school year if the school building is not used for any of the
 38 following allowable uses:
 39 (1) The number of full-time equivalent students enrolled for
 40 in-person instruction in the school building on instructional days
 41 (as determined under IC 20-30-2) for instructional purposes,
 42 averaged over the current school year and the two (2) school

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years immediately preceding the current school year, is at least 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,

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

8 (5) 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 combination of office
12 space and storage. However, to be an allowable use under this
13 subdivision, at least fifty percent (50%) of the square footage of
14 the school building must be used for a combination of office
15 space and storage and:

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

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

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

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

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

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

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

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

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

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

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

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

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

24 (k) If the school corporation:
25 (1) files a response that the school corporation is not contesting
26 the petition; or
27 (2) fails to submit a timely response under subsection (j);

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

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

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

- 37 (1) petitioner and any intervening party have submitted a reply
38 under subsection (l); or
- 39 (2) time period to reply under subsection (l) has expired.

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

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

5 (o) Upon the issuance of a final unappealable order granting a
6 petition, the school corporation shall make the school building
7 available for lease or purchase in accordance with IC 20-26-7.1. **The**
8 **school corporation has not more than thirty (30) days after the**
9 **date the notice of a final unappealable order is received by the**
10 **school corporation to complete the lease or sale of the covered**
11 **school building to the charter school or state educational**
12 **institution.**[]

13 ~~← (p) If the transaction described in subsection (o) is not completed~~
14 ~~within thirty (30) days, the charter school or state educational~~
15 ~~institution may bring a civil action against the school corporation. The~~
16 ~~court may award to a charter school or state educational institution who~~
17 ~~prevails in an action under this subsection the following:~~

18 ~~— (1) Injunctive relief;~~

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

22 ~~— (q) A lease or sale of a covered school building to a charter school~~
23 ~~or a state educational institution under this section includes transfer of:~~

24 ~~— (1) those assets that are fixtures of the covered school building;~~
25 ~~and~~

26 ~~— (2) adjacent parking lots and playgrounds;~~

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

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

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

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

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

42 (2) the school corporation in the current school year has more

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1 than one (1) school building serving the same grade level as a
 2 school building subject to closure under section 47 of this
 3 chapter.
 4 (c) Each school corporation shall annually report to the
 5 department, in the form and on the schedule specified by the
 6 department, the following information:
 7 (1) A listing of all buildings owned or leased by the school
 8 corporation that were originally designed as a school building.
 9 (2) The following information for each building listed in
 10 subdivision (1):
 11 (A) Designed occupancy, regardless of current use.
 12 (B) Current use (and percentage of use) for classroom
 13 instruction, as special use classrooms, as office space, or as
 14 storage or alternatively the building's status as transitioning
 15 from one (1) use or combination of uses to another.
 16 (C) The following information:
 17 (i) Current average full-time equivalent student
 18 enrollment for in-person instruction in the school
 19 building on instructional days (as determined under
 20 IC 20-30-2) in a school year.
 21 (ii) Percentage of instructional use.
 22 (iii) Percentage of use for other purposes.
 23 (D) Self-evaluation of whether the building qualifies for
 24 closure under section 47 of this chapter or the school board
 25 otherwise intends to close the building and the date closure
 26 will occur (if applicable).
 27 **(d) A school corporation that fails to report the information**
 28 **described in subsection (c) to the department when requested by**
 29 **the department and within the schedule specified by the**
 30 **department shall be subject to a state tuition support monthly**
 31 **distribution reduction of twenty-five percent (25%) until the report**
 32 **is provided to the department. A school corporation is entitled to**
 33 **recover the state tuition support lost as a result of a reduction**
 34 **described in this subsection. The department shall issue the**
 35 **recovered state tuition within fifteen (15) days of receiving the**
 36 **report.**
 37 SECTION 11. IC 20-26-7.1-4, AS AMENDED BY P.L.1-2025,
 38 SECTION 188, IS AMENDED TO READ AS FOLLOWS
 39 [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) Not later than thirty (30) days
 40 after the date a governing body of a school corporation determines at
 41 a public meeting to cease using a covered school building for
 42 classroom instruction on student instructional days (as described in

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

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

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

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

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

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

42 (g) The department shall, not later than sixty (60) days after the

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1 date that a rebuttal is due under subsection (f), issue a determination to
2 the school corporation and interested persons as to whether the covered
3 school building must be made available under this chapter. The
4 department shall publish a copy of the department's determination on
5 the department's website.

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

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

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

24 (k) Not later than fifteen (15) days after:
25 (1) the time expires for an appeal to the state board of a
26 department determination under subsection (g) or IC 20-26-7-47
27 that a covered school building be made available; or
28 (2) a **final** determination by the state board that a covered school
29 building is to be made available is issued;

30 the governing body shall take the actions specified by subsection (j)-
31 (l). If the governing body fails to take the actions, the department shall
32 request that the attorney general enforce the order under section 9(a)
33 of this chapter.

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

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

42 (2) Make the following information available to a charter school

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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)**.

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

- (1) Within ninety (90) days of receiving the department's notice under subsection (d), a charter school or state educational institution must submit a preliminary request to purchase or lease the covered school building.
- (2) Subject to subsection ~~(m)~~; **(o)**, within ninety (90) days of receiving the department's notice under subsection (d), a charter school or state educational institution must submit to the school corporation the following information:
 - (A) The name of the charter school or state educational institution that is interested in leasing or purchasing the covered school building.
 - (B) A time frame, which may not exceed three (3) years from the date that the covered school building is to be closed, no longer used, or no longer occupied, in which the:
 - (i) charter school intends to begin providing classroom instruction in the covered school building; or
 - (ii) state educational institution intends to begin using the covered school building for an academic purpose.
 - (C) A resolution, adopted by the board of the charter school or state educational institution stating that the board of the

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1 charter school or state educational institution has
2 determined that, after the charter school or state educational
3 institution has made any necessary repairs or modifications,
4 the covered school building will be sufficient to meet the
5 charter school's or state educational institution's needs and
6 can be operated within the charter school's or state
7 educational institution's budget.

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

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

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

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

6 In the event that the committee determines that two (2) or more charter
 7 schools should co-locate in the covered school building, the charter
 8 schools have sixty (60) days to submit a memorandum of
 9 understanding stating that the charter schools shall be jointly and
 10 severally liable for the obligations related to the sale or lease of the
 11 covered school building, and specifying how the charter schools will
 12 utilize the covered school building and share responsibility for
 13 operational, maintenance, and renovation expenses. If the charter
 14 schools are unable to agree, the charter schools shall be deemed to have
 15 revoked their prior request regarding the lease or sale of the covered
 16 school building. The committee shall give notice of the committee's
 17 decision to the school corporation and each interested person. A charter
 18 school that is not selected by the committee may appeal the decision to
 19 the state board not more than thirty (30) days after receipt of the
 20 committee's decision. The state board shall issue a final order in the
 21 appeal not more than sixty (60) days after receipt of a properly filed
 22 appeal. Notice of the appeal and the final order in the appeal must be
 23 given to the school corporation.

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

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

30 (2) direct the school corporation to complete a sale or lease to
 31 the state educational institution in accordance with subsection
 32 ~~(r)~~: (t).

33 ~~(p)~~ (r) If one (1) or more state educational institutions submit
 34 preliminary requests to purchase or lease a covered school building, a
 35 selection committee shall be established consisting of one (1) member
 36 appointed by the executive of the largest city or town in the county in
 37 which the covered school building is located, one (1) member
 38 appointed by the city or town council of the largest city or town in the
 39 county in which the covered school building is located, one (1) member
 40 appointed by the county commissioners of the county in which the
 41 covered school building is located, one (1) member appointed by the
 42 county council of the county in which the covered school building is

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1 located, and one (1) member appointed by the chamber of commerce
2 of the county in which the covered school building is located.

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

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

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

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

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

17 (1) charter school uses the covered school building for classroom
18 instruction for any combination of kindergarten through grade
19 12; or

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

22 The term of the lease shall be established at the charter school's or state
23 educational institution's discretion and include an option for the state
24 educational institution or charter school to purchase the covered school
25 building for one dollar (\$1). Alternatively, the school corporation shall
26 sell the covered school building to the charter school or state
27 educational institution for one dollar (\$1), if the charter school or state
28 educational institution has met the requirements set forth in subsection
29 ~~(t)~~ **(n)** and uses the covered school building in the manner prescribed
30 by this subsection. If the charter school or state educational institution
31 selected to lease or purchase the covered school building has met the
32 requirements under subsection ~~(t)~~; **(n)**, the school corporation has not
33 more than ~~ninety (90)~~ **thirty (30)** days after the date notice of a final
34 unappealable decision is received by the school corporation to
35 complete the lease or sale of the covered school building to the charter
36 school or state educational institution. If the transaction is not
37 completed within ~~ninety (90)~~ **thirty (30)** days, the department or the
38 selected charter school or state educational institution may, under
39 section 9 of this chapter, request that the attorney general enforce the
40 sale or lease or may file suit to enforce the sale or lease. If a charter
41 school or state educational institution has not met the requirements
42 under subsection ~~(t)~~; **(n)**, the school corporation may sell or otherwise

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1 dispose of the covered school building in accordance with IC 36-1-11,
 2 IC 20-25-4-14, and IC 20-26-5-4(a)(7).
 3 ~~← (u) In addition to a request that the attorney general enforce the~~
 4 ~~sale or lease or file suit to enforce the sale or lease of a covered school~~
 5 ~~building under subsection (t), if the transaction described in subsection~~
 6 ~~(t) is not completed within thirty (30) days after the date the notice of~~
 7 ~~a final unappealable decision is received by the school corporation, the~~
 8 ~~charter school or state educational institution may bring a civil action~~
 9 ~~against the school corporation. The court may award to a charter school~~
 10 ~~or state educational institution that prevails in an action under this~~
 11 ~~subsection the following:~~
 12 ~~—— (1) Injunctive relief.~~
 13 ~~—— (2) Liquidated damages computed at a rate of ten thousand~~
 14 ~~dollars (\$10,000) per day for each day that exceeds the ten (10)~~
 15 ~~day time frame described in subsection (t).~~
 16 ~~—— (v) A lease or sale of a covered school building to a charter school~~
 17 ~~or a state educational institution under this section includes transfer of:~~
 18 ~~—— (1) those assets that are fixtures of the covered school building;~~
 19 ~~and~~
 20 ~~—— (2) adjacent parking lots and playgrounds.~~
 21 > SECTION 12. IC 20-26-7.1-5, AS AMENDED BY P.L.135-2025,
 22 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 JULY 1, 2026]: Sec. 5. (a) If:
 24 (1) a covered school building is sold to a charter school or state
 25 educational institution under section 4 of this chapter; and
 26 (2) the charter school or state educational institution described
 27 in subdivision (1) no longer intends to use the covered school
 28 building for the purposes described in section ~~4(t)~~ **4(n)** of this
 29 chapter;
 30 the charter school or state educational institution shall offer to transfer
 31 the covered school building back to the school corporation that initially
 32 sold the covered school building to the charter school or state
 33 educational institution.
 34 (b) If a school corporation described in subsection (a) declines the
 35 offer to transfer a covered school building back to the school
 36 corporation, the charter school or state educational institution may sell
 37 or transfer the covered school building to a third party. If a charter
 38 school or state educational institution sells or transfers a covered
 39 school building to a third party under this subsection, the charter school
 40 or state educational institution must transfer an amount equal to the
 41 gain in the property minus the adjusted basis (including costs of
 42 improvements to the covered school building) to the school corporation

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1 that initially sold the covered school building to the charter school or
2 state educational institution. Gain and adjusted basis shall be
3 determined in the manner prescribed by the Internal Revenue Code and
4 the applicable Internal Revenue Service regulations and guidelines.

5 (c) A charter school or state educational institution that purchases
6 a covered school building assumes total control of the covered school
7 building and must maintain the covered school building, including
8 utilities, insurance, maintenance, and repairs. Except as provided in
9 subsection (d), in the event a:

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

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

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

18 (d) In the event a:

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

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

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

28 SECTION 13. IC 20-26-7.1-5.3, AS AMENDED BY P.L.36-2024,
29 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
30 JULY 1, 2026]: Sec. 5.3. (a) This section applies to a covered school
31 building to which the following apply:

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

34 (2) The total student enrollment for in-person instruction in the
35 school building in the current school year is at least ten percent
36 (10%) less than the student enrollment for in-person instruction
37 in the school building in a school year that precedes the current
38 school year by five (5).

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

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

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

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

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

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

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

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

26 **(g) A school corporation that receives a school building back**
27 **from a charter school pursuant to a petition filed under subsection**
28 **(c) shall pay the charter school for capital improvements the**
29 **charter school made to the school building minus depreciation.**

30 SECTION 14. IC 20-32-6.5-3, AS ADDED BY P.L.180-2025,
31 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
32 JULY 1, 2026]: Sec. 3. (a) Beginning with the 2026-2027 school year,
33 if a school determines that a student in kindergarten through grade 8 is
34 at risk of not achieving grade level proficiency in mathematics as
35 determined by an analysis of the student's data from:

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

38 the school must provide intervention that meets the requirements under
39 subsection (b).

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

- 42 (1) The intervention includes a multitiered system of support that



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- 1 progresses from less to more intensive support based on the
 2 student's individual needs.
- 3 (2) The intervention is aligned to daily Tier I instruction and
 4 standard level learning progressions.
- 5 (3) The intervention is:
 6 (A) targeted;
 7 (B) differentiated; and
 8 (C) supplemental to Tier I instruction.
- 9 (4) The intervention:
 10 (A) is aligned with evidence based instructional strategies
 11 to promote conceptual understanding, procedural fluency,
 12 and real world problem solving; and
 13 (B) allows a student opportunities to interact, show
 14 progress, and demonstrate understanding through rigorous
 15 grade level content.
- 16 (5) The intervention includes continual assessment and in depth
 17 analysis of each student's data to inform the flexible movement
 18 in and out of Tiers II and III.
- 19 **(c) Not later than fifteen (15) days after a school makes a**
 20 **determination under subsection (a) that a student is at risk, the**
 21 **school shall provide notice to a parent of the student regarding the**
 22 **determination. The notification may contain the following:**
 23 **(1) Specific information about how the student is performing.**
 24 **(2) Information about the intervention the student will**
 25 **receive from the school.**
 26 **(3) A list or description of any recommended resources**
 27 **available for use at home to support the student's academic**
 28 **growth in mathematics.**
- 29 ~~(c)~~ **(d)** The department shall provide guidance on the multitiered
 30 system that a school is required to provide under subsection (b).
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