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# SENATE BILL No. 239

Proposed Changes to January 27, 2026 printing by AM023915

## DIGEST OF PROPOSED AMENDMENT

Conversion charter schools. Removes provisions that: (1) provide that, in addition to conditions established in current law to convert an existing public elementary or secondary school, an existing public elementary or secondary school may be converted into a charter school if certain other conditions apply; and (2) allow, if the conditions are met, the governing body of a school corporation to: (A) convert more than one existing public elementary or secondary school within the school corporation; and (B) operate two or more conversion charter schools under a single charter.

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.

SB 239—LS 7049/DI 152



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

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SB 239—LS 7049/DI 152



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1 by one and three-hundredths (1.03); or  
 2 (2) the maximum operating referendum tax that could otherwise  
 3 be levied by the school corporation for taxes first due and  
 4 payable in 2024.  
 5 The tax rate for an operating referendum tax levy shall be decreased,  
 6 if necessary, to comply with this limitation.  
 7 (d) Notwithstanding any increase in the assessed value of property  
 8 from the previous assessment date, for taxes first due and payable in  
 9 2025, the total amount of operating referendum tax that may be levied  
 10 by a school corporation may not exceed the lesser of the following:  
 11 (1) The maximum operating referendum tax that could have  
 12 been levied by the school corporation if the maximum  
 13 referendum rate was imposed for taxes first due and payable in  
 14 the immediately preceding calendar year, as adjusted by this  
 15 section, multiplied by the result determined under STEP SEVEN  
 16 of the following formula:  
 17 STEP ONE: Subtract:  
 18 (i) the school corporation's spring count of ADM made  
 19 in the calendar year preceding by five (5) years the  
 20 calendar year in which the property taxes are first due  
 21 and payable; from  
 22 (ii) the school corporation's spring count of ADM  
 23 made in the immediately preceding calendar year.  
 24 STEP TWO: Divide the STEP ONE result by four (4).  
 25 STEP THREE: Divide the STEP TWO result by the school  
 26 corporation's spring count of ADM made in the calendar  
 27 year preceding by five (5) years the calendar year in which  
 28 the property taxes are first due and payable.  
 29 STEP FOUR: Multiply the STEP THREE amount by one  
 30 and five-tenths (1.5).  
 31 STEP FIVE: Add the STEP FOUR result and one and  
 32 six-hundredths (1.06).  
 33 STEP SIX: Determine the greater of the STEP FIVE result  
 34 or one and six-hundredths (1.06).  
 35 STEP SEVEN: Determine the lesser of the STEP SIX result  
 36 or one and twelve-hundredths (1.12).  
 37 (2) The maximum operating referendum tax that could otherwise  
 38 be levied by the school corporation for taxes first due and  
 39 payable in the current calendar year.  
 40 The tax rate for an operating referendum tax levy shall be decreased,  
 41 if necessary, to comply with this limitation.  
 42 (e) The department of education shall provide to the department

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SB 239—LS 7049/DI 152



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1 of local government finance each school corporation's applicable ADM  
2 counts as needed to make the determinations under this section.

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

7 (1) compile a list of business and industry partners that  
8 provide guaranteed incentives to high school students who  
9 earn the honors employment plus seal; and

10 (2) publish the list described in subdivision (1) on the  
11 department's website.

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

17 ~~— (1) votes to convert the school within the school corporation;~~  
18 ~~and~~

19 ~~— (2) submits to an authorizer a proposal described in~~  
20 ~~IC 20-24-3-4 to convert the school within the school~~  
21 ~~corporation to a charter school.~~

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

25 ~~— (c) The organizer of a conversion charter school described in~~  
26 ~~this section may be:~~

27 ~~— (1) the school corporation; or~~

28 ~~— (2) a nonprofit corporation that:~~

29 ~~— (A) is established by the school corporation;~~

30 ~~— (B) is incorporated or registered in Indiana;~~

31 ~~— (C) has been recognized by the Internal Revenue Service~~  
32 ~~to be tax exempt and maintains such tax exempt status;~~  
33 ~~and~~

34 ~~— (D) has an independent board whose members have~~  
35 ~~been elected or selected under the organizer's~~  
36 ~~application and that has entered into a contract under~~  
37 ~~this article to operate a charter school.~~

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

SB 239—LS 7049/DI 152



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- 1 ~~(1) submit a separate proposal for each school to an~~
- 2 ~~authorizer; or~~
- 3 ~~(2) with the approval of the authorizer, operate two (2) or~~
- 4 ~~more schools under a single charter, provided that each~~
- 5 ~~school site:~~
- 6 ~~(A) is identified in the charter application and charter;~~
- 7 ~~and~~
- 8 ~~(B) is subject to the performance conditions,~~
- 9 ~~accountability measures, and renewal determinations~~
- 10 ~~established in the charter.~~
- 11 ~~(c) A conversion charter school described in this section shall~~
- 12 ~~comply with the following:~~
- 13 ~~(1) All legal requirements described in section 1(d) of this~~
- 14 ~~chapter:~~
- 15 ~~(2) Except as provided in this section, all requirements for~~
- 16 ~~charter schools under this article:~~
- 17 > SECTION ~~<5>~~[4]. IC 20-25.7-5-2, AS AMENDED BY
- 18 P.L.213-2025, SECTION 169, IS AMENDED TO READ AS
- 19 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2. (a) ~~The A~~ board may
- 20 enter into an agreement with an organizer to:
- 21 (1) reconstitute an eligible school as a participating innovation
- 22 network charter school; or to
- 23 (2) establish a participating innovation network charter school at
- 24 a location:
- 25 (A) selected by the board; ~~within the boundary of the school~~
- 26 ~~corporation; or~~
- 27 (B) **within the geographic boundaries of any school**
- 28 **corporation with which the organizer enters into an**
- 29 **agreement under this chapter.**
- 30 Notwithstanding IC 20-26-7.1, a participating innovation network
- 31 charter school may be established within a vacant school building.
- 32 (b) The terms of the agreement entered into between ~~the a~~ board
- 33 **of a school corporation** and an organizer must specify the following:
- 34 (1) A statement that the organizer authorizes the department to
- 35 include the charter school's performance assessment results
- 36 under IC 20-31-8 **for students who reside within the**
- 37 **geographic boundaries of the school corporation** when
- 38 calculating the school corporation's performance assessment
- 39 under rules adopted by the state board.
- 40 (2) Subject to an administrative fee as described in subsection
- 41 (g), a statement that the school corporation will distribute at least
- 42 one hundred percent (100%) of state tuition support dollars that

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SB 239—LS 7049/DI 152



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the school corporation receives from student enrollment for students who:

(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:

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1 (A) treat the participating innovation network charter school  
 2 in the same manner as a school operated by the school  
 3 corporation **with regard to students residing within the**  
 4 **geographic boundaries of the school corporation** when  
 5 calculating the total amount of state funding to be  
 6 distributed to the school corporation unless subsection (e)  
 7 applies; and

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

12 (3) if requested by a participating innovation network charter  
 13 school that reconstitutes an eligible school, the department may  
 14 use student growth as the state board's exclusive means to  
 15 determine the innovation network charter school's category or  
 16 designation of school improvement under 511  
 17 ~~IAC 6-2-10-10~~ IAC 67-2-10-10 for a period of three (3) years.  
 18 Beginning with the 2019-2020 school year, the department may  
 19 not use student growth as the state board's exclusive means to  
 20 determine an innovation network charter school's category or  
 21 designation of school improvement. This subdivision expires  
 22 July 1, 2023.

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

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

40 (g) If an administrative fee is included in an agreement entered  
 41 into or renewed **under this chapter** after June 30, ~~2023~~, **2026**, under  
 42 this section, ~~the fee may not exceed one percent (1%) of the total~~

SB 239—LS 7049/DI 152



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

8 **(1) reside within the geographic boundaries of the school  
 9 corporation; and**

10 **(2) are enrolled in the participating innovation network  
 11 charter school.**

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

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

27 SECTION ~~5~~[6]. IC 20-25.7-5-5, AS AMENDED BY  
 28 P.L.220-2021, SECTION 9, IS AMENDED TO READ AS FOLLOWS  
 29 [EFFECTIVE JULY 1, 2026]: Sec. 5. (a) IC 20-24-5-5 (with the  
 30 exception of IC 20-24-5-5(g)) does not apply to a participating  
 31 innovation network charter school that enters into an agreement with  
 32 the board to reconstitute or establish an eligible school.

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

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

39 (1) ensure that any student with legal settlement in the  
 40 attendance area, or in ~~the school corporation~~ **any school  
 41 corporation with which the participating innovation network  
 42 charter school has entered into an agreement under this**

SB 239—LS 7049/DI 152



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- 1 **chapter** if the school does not have a defined attendance area,  
 2 may attend the charter school;  
 3 (2) ensure that a student who attends the participating innovation  
 4 network charter school during a school year may continue to  
 5 attend the charter school in subsequent years;  
 6 (3) allow the siblings of a student alumnus or a current student  
 7 who attends the participating innovation network charter school  
 8 to attend the charter school;  
 9 (4) allow preschool students who attend a Level 3 or Level 4  
 10 Paths to QUALITY program preschool to attend kindergarten at  
 11 the participating innovation network charter school if the  
 12 participating innovation network charter school and the school  
 13 corporation or preschool provider have entered into an  
 14 agreement to share services or facilities;  
 15 (5) allow each student who qualifies for free or reduced price  
 16 lunch under the national school lunch program to receive  
 17 preference for admission to the participating innovation network  
 18 charter school if the preference is specifically provided for in the  
 19 charter and is approved by the authorizer; and  
 20 (6) allow each student who attended a turnaround academy or  
 21 attends a school that is located in the same school building as the  
 22 participating innovation network charter school to receive  
 23 preference for admission to the participating innovation network  
 24 charter school if the preference is specifically provided for in the  
 25 participating innovation network charter school's charter and is  
 26 approved by the authorizer of the participating innovation  
 27 network charter school.
- 28 (d) A participating innovation network charter school with a  
 29 curriculum that includes study in a foreign country may deny admission  
 30 to a student if:
- 31 (1) the student:
- 32 (A) has completed fewer than twenty-two (22) academic  
 33 credits required for graduation; and  
 34 (B) will be in the grade 11 cohort during the school year in  
 35 which the student seeks to enroll in the participating  
 36 innovation network charter school; or
- 37 (2) the student has been suspended (as defined in IC 20-33-8-7)  
 38 or expelled (as defined in IC 20-33-8-3) during the twelve (12)  
 39 months immediately preceding the student's application for  
 40 enrollment for:
- 41 (A) ten (10) or more school days;  
 42 (B) a violation under IC 20-33-8-16;

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SB 239—LS 7049/DI 152



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- 1 (C) causing physical injury to a student, a school employee,
- 2 or a visitor to the school; or
- 3 (D) a violation of a school corporation's drug or alcohol
- 4 rules.

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

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

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

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

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

41 SECTION ~~8~~[7]. IC 20-25.7-5-6, AS ADDED BY P.L.162-2024,  
 42 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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SB 239—LS 7049/DI 152



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1 JULY 1, 2026]: Sec. 6. (a) Subject to an administrative fee as described  
2 in section 2(g) of this chapter, a school corporation that enters into an  
3 agreement with an organizer under this chapter shall distribute at least  
4 one hundred percent (100%) of state tuition support dollars that the  
5 school corporation receives from ~~student enrollment~~ **students who:**

- 6 **(1) reside in the geographic boundaries of the school**
- 7 **corporation; and**
- 8 **(2) are enrolled** in the participating innovation network charter
- 9 school;
- 10 in accordance with the school funding formula to the participating
- 11 innovation network charter school.

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

17 SECTION ~~8~~ [8]. IC 20-26-7-47, AS AMENDED BY  
18 P.L.36-2024, SECTION 2, IS AMENDED TO READ AS FOLLOWS  
19 [EFFECTIVE JULY 1, 2026]: Sec. 47. (a) The following definitions  
20 apply throughout this section:

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

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SB 239—LS 7049/DI 152



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

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SB 239—LS 7049/DI 152



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

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SB 239—LS 7049/DI 152



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

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

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

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

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

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

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

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

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

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

41 (h) If an agreement is not reached within forty-five (45) days after  
 42 the date that the school corporation receives the notice under

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SB 239—LS 7049/DI 152



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

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

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

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

19 (1) file a response to the petition that notifies the department that  
 20 the school corporation:

- 21 (A) is not contesting the petition; or
- 22 (B) is contesting the petition and states the facts upon which  
 23 the school corporation relies in contesting the petition; and

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

26 (k) If the school corporation:

- 27 (1) files a response that the school corporation is not contesting  
 28 the petition; or
- 29 (2) fails to submit a timely response under subsection (j);

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

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

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

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

42 (n) **Not later than sixty (60) days after the date that the**

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1 **department issues a determination under subsection (m)**, a school  
2 corporation or another party to the proceeding may file with the state  
3 board a petition requesting review of the department's determination.  
4 Upon receipt of a petition under this subsection, the state board shall  
5 review the department's determination. An appeal to the state board  
6 shall be subject to the procedure described in IC 20-26-11-15(b).

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

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

- 21 (1) **Injunctive relief.**
- 22 (2) **Liquidated damages computed at a rate of ten thousand**
- 23 **dollars (\$10,000) per day for each day that exceeds the ten**
- 24 **(10) day time frame described in subsection (o).**

25 (q) **A lease or sale of a covered school building to a charter**  
26 **school or a state educational institution under this section includes**  
27 **transfer of:**

- 28 (1) **those assets that are fixtures of the covered school**
- 29 **building; and**
- 30 (2) **adjacent parking lots and playgrounds.**

31 SECTION ~~10~~<sup>9</sup>. IC 20-26-7-48, AS ADDED BY  
32 P.L.189-2023, SECTION 10, IS AMENDED TO READ AS  
33 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 48. (a) The following  
34 definitions apply throughout this section:

- 35 (1) "Current school year" refers to a year in which the governing  
36 body is required to conduct a review of school building usage  
37 under section 47(c) of this chapter.
- 38 (2) "Enrollment" has the meaning set forth in section 47(a)(3) of  
39 this chapter.

40 (b) This section applies to a school corporation only if:  
41 (1) the total student enrollment for in-person instruction in the  
42 school corporation in the current school year is at least ten

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

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

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

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

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

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

20 (C) The following information:

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

25 (ii) Percentage of instructional use.

26 (iii) Percentage of use for other purposes.

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

31 **(d) A school corporation that fails to report the information**  
 32 **described in subsection (c) to the department when requested by**  
 33 **the department and within the schedule specified by the**  
 34 **department shall be subject to a state tuition support monthly**  
 35 **distribution reduction of twenty-five percent (25%) until the report**  
 36 **is provided to the department. A school corporation is entitled to**  
 37 **recover the state tuition support lost as a result of a reduction**  
 38 **described in this subsection. The department shall issue the**  
 39 **recovered state tuition within fifteen (15) days of receiving the**  
 40 **report.**

41 SECTION 1 <-> [0]. IC 20-26-7.1-4, AS AMENDED BY  
 42 P.L.1-2025, SECTION 188, IS AMENDED TO READ AS FOLLOWS

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SB 239—LS 7049/DI 152



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1 [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) Not later than thirty (30) days  
2 after the date a governing body of a school corporation determines at  
3 a public meeting to cease using a covered school building for  
4 classroom instruction on student instructional days (as described in  
5 IC 20-30-2-2) for a school year as required under IC 20-30-2-3, a  
6 school corporation shall provide written notice to the department  
7 regarding the date that the covered school building has ceased or will  
8 cease being used for classroom instruction as described in this  
9 subsection.

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

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

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

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

38 (f) If a notice from a school corporation under subsection (a)  
39 includes a claim that the covered school building will not be made  
40 available under this chapter, an interested person may submit to the  
41 department, not later than thirty (30) days after the date the interested  
42 person receives the notice from the department under subsection (d),

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SB 239—LS 7049/DI 152



1 a rebuttal to the factual and legal basis for the school corporation's  
2 contention that the covered school building is not required to be made  
3 available under this chapter.

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

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

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

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

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

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

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

42 (1) Make the covered school building available for inspection by

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1 a charter school or state educational institution that notifies the  
 2 department that it is interested in leasing or purchasing the  
 3 covered school building.  
 4 (2) Make the following information available to a charter school  
 5 or state educational institution described in subdivision (1):  
 6 (A) Estimates of the operating expenses for the covered  
 7 school building for the past three (3) years.  
 8 (B) Written information regarding the condition of the  
 9 covered school building, including the age of the roof and  
 10 the HVAC system, and any known conditions which, in the  
 11 governing body's opinion, require prompt repair or  
 12 replacement.  
 13 (C) A legal description of the property.  
 14 ~~(k)~~ (m) If the governing body fails to take the actions required  
 15 under subsection ~~(j)~~; (l), a charter school having notified the school  
 16 corporation of its interest in the covered school building is entitled to  
 17 an injunction requiring the governing body to take the actions under  
 18 subsection ~~(j)~~; (l).  
 19 ~~(h)~~ (n) The school corporation shall lease the covered school  
 20 building to a charter school or state educational institution for one  
 21 dollar (\$1) per year for as long as the state educational institution uses  
 22 the covered school building for an academic purpose or the charter  
 23 school uses the covered school building for classroom instruction, for  
 24 a term at the state educational institution's or charter school's  
 25 discretion, or sell the covered school building for one dollar (\$1), if the  
 26 charter school or state educational institution does the following:  
 27 (1) Within ninety (90) days of receiving the department's notice  
 28 under subsection (d), a charter school or state educational  
 29 institution must submit a preliminary request to purchase or  
 30 lease the covered school building.  
 31 (2) Subject to subsection ~~(m)~~; (o), within ninety (90) days of  
 32 receiving the department's notice under subsection (d), a charter  
 33 school or state educational institution must submit to the school  
 34 corporation the following information:  
 35 (A) The name of the charter school or state educational  
 36 institution that is interested in leasing or purchasing the  
 37 covered school building.  
 38 (B) A time frame, which may not exceed three (3) years  
 39 from the date that the covered school building is to be  
 40 closed, no longer used, or no longer occupied, in which the:  
 41 (i) charter school intends to begin providing classroom  
 42 instruction in the covered school building; or

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1 (ii) state educational institution intends to begin using  
 2 the covered school building for an academic purpose.  
 3 (C) A resolution, adopted by the board of the charter school  
 4 or state educational institution stating that the board of the  
 5 charter school or state educational institution has  
 6 determined that, after the charter school or state educational  
 7 institution has made any necessary repairs or modifications,  
 8 the covered school building will be sufficient to meet the  
 9 charter school's or state educational institution's needs and  
 10 can be operated within the charter school's or state  
 11 educational institution's budget.

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

25 ~~(n)~~(p) If only one (1) charter school submits a preliminary request  
 26 to purchase or lease the covered school building, the department shall  
 27 notify the school corporation of the identity of the charter school and  
 28 direct the school corporation to complete a sale or lease to the charter  
 29 school in accordance with subsection ~~(r)~~(t). In the event that two (2)  
 30 or more charter schools submit a preliminary request to purchase or  
 31 lease a covered school building within the time frame described in  
 32 subsection ~~(f)~~(1), **(n)(1)**, the department shall send notification to each  
 33 interested person and the school corporation that the department has  
 34 received two (2) or more preliminary requests under this section. An  
 35 authorizer committee shall be established, with each statewide  
 36 authorizer that has authorized one (1) or more charter schools  
 37 appointing a representative, and the committee shall establish the  
 38 chairperson and procedures for the committee. Within sixty (60) days  
 39 of receiving notice under this subsection, the committee shall select  
 40 which charter school may proceed under subsection ~~(r)~~(t) to purchase  
 41 or lease the covered school building or determine if two (2) or more  
 42 charter schools should co-locate within the covered school building.

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SB 239—LS 7049/DI 152



1 The committee shall base the committee's decision on the following  
2 criteria:

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

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

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

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

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

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

36 ~~(r)~~ (t).

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

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1 county in which the covered school building is located, one (1) member  
2 appointed by the county commissioners of the county in which the  
3 covered school building is located, one (1) member appointed by the  
4 county council of the county in which the covered school building is  
5 located, and one (1) member appointed by the chamber of commerce  
6 of the county in which the covered school building is located.

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

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

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

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

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

21 (1) charter school uses the covered school building for classroom  
22 instruction for any combination of kindergarten through grade  
23 12; or

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

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

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SB 239—LS 7049/DI 152



1 section 9 of this chapter, request that the attorney general enforce the  
2 sale or lease or may file suit to enforce the sale or lease. If a charter  
3 school or state educational institution has not met the requirements  
4 under subsection ~~(t)~~; **(n)**, the school corporation may sell or otherwise  
5 dispose of the covered school building in accordance with IC 36-1-11,  
6 IC 20-25-4-14, and IC 20-26-5-4(a)(7).

7 **(u) In addition to a request that the attorney general enforce**  
8 **the sale or lease or file suit to enforce the sale or lease of a covered**  
9 **school building under subsection (t), if the transaction described in**  
10 **subsection (t) is not completed within thirty (30) days after the date**  
11 **the notice of a final unappealable decision is received by the school**  
12 **corporation, the charter school or state educational institution may**  
13 **bring a civil action against the school corporation. The court may**  
14 **award to a charter school or state educational institution that**  
15 **prevails in an action under this subsection the following:**

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

20 **(v) A lease or sale of a covered school building to a charter**  
21 **school or a state educational institution under this section includes**  
22 **transfer of:**

- 23 **(1) those assets that are fixtures of the covered school**  
24 **building; and**
- 25 **(2) adjacent parking lots and playgrounds.**

26 SECTION 1 ~~↔~~ [\[1\]](#). IC 20-26-7.1-5, AS AMENDED BY  
27 P.L.135-2025, SECTION 7, IS AMENDED TO READ AS FOLLOWS  
28 [EFFECTIVE JULY 1, 2026]: Sec. 5. (a) If:

- 29 (1) a covered school building is sold to a charter school or state  
30 educational institution under section 4 of this chapter; and
- 31 (2) the charter school or state educational institution described  
32 in subdivision (1) no longer intends to use the covered school  
33 building for the purposes described in section ~~4(t)~~ **4(n)** of this  
34 chapter;

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

39 (b) If a school corporation described in subsection (a) declines the  
40 offer to transfer a covered school building back to the school  
41 corporation, the charter school or state educational institution may sell  
42 or transfer the covered school building to a third party. If a charter

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1 school or state educational institution sells or transfers a covered  
2 school building to a third party under this subsection, the charter school  
3 or state educational institution must transfer an amount equal to the  
4 gain in the property minus the adjusted basis (including costs of  
5 improvements to the covered school building) to the school corporation  
6 that initially sold the covered school building to the charter school or  
7 state educational institution. Gain and adjusted basis shall be  
8 determined in the manner prescribed by the Internal Revenue Code and  
9 the applicable Internal Revenue Service regulations and guidelines.

10 (c) A charter school or state educational institution that purchases  
11 a covered school building assumes total control of the covered school  
12 building and must maintain the covered school building, including  
13 utilities, insurance, maintenance, and repairs. Except as provided in  
14 subsection (d), in the event a:

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

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

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

23 (d) In the event a:

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

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

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

33 SECTION 1 ~~↔~~ [2]. IC 20-26-7.1-5.3, AS AMENDED BY  
34 P.L.36-2024, SECTION 7, IS AMENDED TO READ AS FOLLOWS  
35 [EFFECTIVE JULY 1, 2026]: Sec. 5.3. (a) This section applies to a  
36 covered school building to which the following apply:

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

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

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SB 239—LS 7049/DI 152



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

6 (c) Subject to subsection (f), if:  
 7 (A) the number of full-time equivalent students enrolled for  
 8 in-person instruction in a school building on instructional days  
 9 (as determined under IC 20-30-2) for instructional purposes for  
 10 a school year is not at least fifty percent (50%) of the classroom  
 11 design capacity of the school building; **and**

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

14 the school corporation that leased or sold the school building to the  
 15 charter school may file a petition with the department requesting that  
 16 the charter school transfer the school building back to the school  
 17 corporation.

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

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

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

31 **(g) A school corporation that receives a school building back**  
 32 **from a charter school pursuant to a petition filed under subsection**  
 33 **(c) shall pay the charter school for capital improvements the**  
 34 **charter school made to the school building minus depreciation.**

35 SECTION 1~~↔~~<sup>[3]</sup>. IC 20-32-6.5-3, AS ADDED BY  
 36 P.L.180-2025, SECTION 4, IS AMENDED TO READ AS FOLLOWS  
 37 [EFFECTIVE JULY 1, 2026]: Sec. 3. (a) Beginning with the  
 38 2026-2027 school year, if a school determines that a student in  
 39 kindergarten through grade 8 is at risk of not achieving grade level  
 40 proficiency in mathematics as determined by an analysis of the  
 41 student's data from:

42 (1) a grade level screener approved by the department; or

SB 239—LS 7049/DI 152



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- 1 (2) a through-year statewide assessment;
- 2 the school must provide intervention that meets the requirements under
- 3 subsection (b).
- 4 (b) A school shall provide intervention to a student described in
- 5 subsection (a) that meets the following conditions:
- 6 (1) The intervention includes a multitiered system of support that
- 7 progresses from less to more intensive support based on the
- 8 student's individual needs.
- 9 (2) The intervention is aligned to daily Tier I instruction and
- 10 standard level learning progressions.
- 11 (3) The intervention is:
- 12 (A) targeted;
- 13 (B) differentiated; and
- 14 (C) supplemental to Tier I instruction.
- 15 (4) The intervention:
- 16 (A) is aligned with evidence based instructional strategies
- 17 to promote conceptual understanding, procedural fluency,
- 18 and real world problem solving; and
- 19 (B) allows a student opportunities to interact, show
- 20 progress, and demonstrate understanding through rigorous
- 21 grade level content.
- 22 (5) The intervention includes continual assessment and in depth
- 23 analysis of each student's data to inform the flexible movement
- 24 in and out of Tiers II and III.
- 25 **(c) Not later than fifteen (15) days after a school makes a**
- 26 **determination under subsection (a) that a student is at risk, the**
- 27 **school shall provide notice to a parent of the student regarding the**
- 28 **determination. The notification may contain the following:**
- 29 **(1) Specific information about how the student is performing.**
- 30 **(2) Information about the intervention the student will**
- 31 **receive from the school.**
- 32 **(3) A list or description of any recommended resources**
- 33 **available for use at home to support the student's academic**
- 34 **growth in mathematics.**
- 35 ~~(e)~~ **(d)** The department shall provide guidance on the multitiered
- 36 system that a school is required to provide under subsection (b).[\[](#)
- 37 [\]](#)

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