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SENATE BILL No. 239

AM023916 has been incorporated into January 27, 2026 printing.

s y n o p s i s : V a r i o u s e d u c a t i o n m a t t e r s .

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Second Regular Session of the 124th General Assembly (2026)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2025 Regular Session of the General Assembly.

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SENATE BILL No. 239

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

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

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1 levied by the school corporation if the maximum referendum rate
 2 was imposed for taxes first due and payable in 2023 multiplied
 3 by one and three-hundredths (1.03); or
 4 (2) the maximum operating referendum tax that could otherwise
 5 be levied by the school corporation for taxes first due and
 6 payable in 2024.

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

9 (d) Notwithstanding any increase in the assessed value of property
 10 from the previous assessment date, for taxes first due and payable in
 11 2025, the total amount of operating referendum tax that may be levied
 12 by a school corporation may not exceed the lesser of the following:

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

19 STEP ONE: Subtract:
 20 (i) the school corporation's spring count of ADM made
 21 in the calendar year preceding by five (5) years the
 22 calendar year in which the property taxes are first due
 23 and payable; from

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

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

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

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

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

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

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

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

42 The tax rate for an operating referendum tax levy shall be decreased,

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1 if necessary, to comply with this limitation.
2 (e) The department of education shall provide to the department
3 of local government finance each school corporation's applicable ADM
4 counts as needed to make the determinations under this section.

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

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

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

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

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

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

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

40 (d) **The governing body of a school corporation may convert**
41 **more than one (1) existing public elementary or secondary school**
42 **within the school corporation under this section. The school**

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1 corporation or an organizer that is a nonprofit corporation
2 established by the school corporation under subsection (c)(2) may:

3 (1) submit a separate proposal for each school to an
4 authorizer; or

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

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

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

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

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

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

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

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

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

27 (A) selected by the board; ~~within the boundary of the school~~
28 ~~corporation. or~~

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

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

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

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

42 (2) Subject to an administrative fee as described in subsection

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1 (g), a statement that the school corporation will distribute at least
 2 one hundred percent (100%) of state tuition support dollars that
 3 the school corporation receives ~~from student enrollment for~~
 4 **students who:**

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

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

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

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

20 (4) For an agreement entered into or renewed after June 30,
 21 2023, the process the board is required to follow in determining
 22 whether to renew the agreement.

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

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

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

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

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

38 (1) the department shall include the participating innovation
 39 network charter school's performance assessment results under
 40 IC 20-31-8 **for students who reside within the geographic**
 41 **boundaries of the school corporation** when calculating the
 42 school corporation's performance assessment under rules

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1 adopted by the state board; **and**
 2 (2) the department shall:
 3 (A) treat the participating innovation network charter school
 4 in the same manner as a school operated by the school
 5 corporation **with regard to students residing within the**
 6 **geographic boundaries of the school corporation** when
 7 calculating the total amount of state funding to be
 8 distributed to the school corporation unless subsection (e)
 9 applies; and
 10 (B) **in determining the school corporation's enrollment,**
 11 **include only eligible pupils enrolled in the participating**
 12 **innovation network charter school who reside within the**
 13 **geographic boundaries of the school corporation.**
 14 (3) if requested by a participating innovation network charter
 15 school that reconstitutes an eligible school, the department may
 16 use student growth as the state board's exclusive means to
 17 determine the innovation network charter school's category or
 18 designation of school improvement under 511 IAC 6.2-10-10 for
 19 a period of three (3) years. Beginning with the 2019-2020 school
 20 year, the department may not use student growth as the state
 21 board's exclusive means to determine an innovation network
 22 charter school's category or designation of school improvement.
 23 This subdivision expires July 1, 2023.
 24 (e) If a participating innovation network school was established
 25 before January 1, 2016, and for the current school year has a
 26 complexity index that is greater than the complexity index for the
 27 school corporation that the innovation network school has contracted
 28 with, the innovation network school shall be treated as a charter school
 29 for purposes of determining tuition support. This subsection expires
 30 June 30, 2027.
 31 (f) If the board or organizer fails to follow the process described
 32 in subsection (b)(4), the board or organizer may appeal to the state
 33 board. The state board shall hear the appeal in a public meeting and
 34 ensure that the board or organizer follows the renewal process specified
 35 in the agreement. The board may not terminate an agreement until the
 36 board has provided evidence to the state board that the board has
 37 complied with the renewal process specified in the agreement. The
 38 state board shall issue a decision on an appeal under this subsection not
 39 later than sixty (60) days after the date the board or organizer submitted
 40 the appeal to the state board.
 41 (g) If an administrative fee is included in an agreement entered
 42 into or renewed **under this chapter** after June 30, 2023; **2026**, under

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

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

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

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

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

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

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

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

40 (1) ensure that any student with legal settlement in the
41 attendance area, or in the school corporation **any school
42 corporation with which the participating innovation network**

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

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- 1 (B) a violation under IC 20-33-8-16;
- 2 (C) causing physical injury to a student, a school employee,
- 3 or a visitor to the school; or
- 4 (D) a violation of a school corporation's drug or alcohol
- 5 rules.

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

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

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

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

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

42 SECTION 8. IC 20-25.7-5-6, AS ADDED BY P.L.162-2024,

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1 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2026]: Sec. 6. (a) Subject to an administrative fee as described
3 in section 2(g) of this chapter, a school corporation that enters into an
4 agreement with an organizer under this chapter shall distribute at least
5 one hundred percent (100%) of state tuition support dollars that the
6 school corporation receives from ~~student enrollment~~ **students who:**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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1 in-person instruction in the school building on instructional days
2 (as determined under IC 20-30-2) for instructional purposes,
3 averaged over the current school year and the two (2) school
4 years immediately preceding the current school year, is at least
5 fifty percent (50%) of:

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

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

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

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

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

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

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

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

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

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

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

29 (f) Closure of a school building that is:
30 (1) owned by the school corporation or any other entity that is
31 related in any way to, or created by, the school corporation or the
32 governing body; or
33 (2) jointly owned in the same manner by two (2) or more school
34 corporations;

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

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

42 (h) If an agreement is not reached within forty-five (45) days after

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

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

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

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

22 (A) is not contesting the petition; or

23 (B) is contesting the petition and states the facts upon which
 24 the school corporation relies in contesting the petition; and

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

27 (k) If the school corporation:

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

30 (2) fails to submit a timely response under subsection (j);

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

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

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

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

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

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1 (n) **Not later than sixty (60) days after the date that the**
 2 **department issues a determination under subsection (m),** a school
 3 corporation or another party to the proceeding may file with the state
 4 board a petition requesting review of the department's determination.
 5 Upon receipt of a petition under this subsection, the state board shall
 6 review the department's determination. An appeal to the state board
 7 shall be subject to the procedure described in IC 20-26-11-15(b).

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

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

22 (1) **Injunctive relief.**

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

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

29 (1) **those assets that are fixtures of the covered school**
 30 **building; and**

31 (2) **adjacent parking lots and playgrounds.**

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

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

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

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

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

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

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

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

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

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

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

21 (C) The following information:

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

26 (ii) Percentage of instructional use.

27 (iii) Percentage of use for other purposes.

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

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

42 SECTION 11. IC 20-26-7.1-4, AS AMENDED BY P.L.1-2025,

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1 SECTION 188, IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) Not later than thirty (30) days
3 after the date a governing body of a school corporation determines at
4 a public meeting to cease using a covered school building for
5 classroom instruction on student instructional days (as described in
6 IC 20-30-2-2) for a school year as required under IC 20-30-2-3, a
7 school corporation shall provide written notice to the department
8 regarding the date that the covered school building has ceased or will
9 cease being used for classroom instruction as described in this
10 subsection.

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

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

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

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

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

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1 person receives the notice from the department under subsection (d),
 2 a rebuttal to the factual and legal basis for the school corporation's
 3 contention that the covered school building is not required to be made
 4 available under this chapter.

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

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

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

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

29 ~~(j)~~ (k) Not later than fifteen (15) days after:

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

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

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

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

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

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

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

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

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1 charter schools should co-locate within the covered school building.
 2 The committee shall base the committee's decision on the following
 3 criteria:

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

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

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

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

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

35 (2) direct the school corporation to complete a sale or lease to
 36 the state educational institution in accordance with subsection
 37 ~~(t)~~ (t).

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

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

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

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

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

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

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

22 (1) charter school uses the covered school building for classroom
23 instruction for any combination of kindergarten through grade
24 12; or

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

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

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

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

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

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

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

27 SECTION 12. IC 20-26-7.1-5, AS AMENDED BY P.L.135-2025,
 28 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JULY 1, 2026]: Sec. 5. (a) If:

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

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

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

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

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

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

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

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

24 (d) In the event a:

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

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

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

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

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

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

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1 in the school building in a school year that precedes the current
2 school year by five (5).

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

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

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

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

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

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

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

- 38 (1) a grade level screener approved by the department; or
39 (2) a through-year statewide assessment;
40 the school must provide intervention that meets the requirements under
41 subsection (b).

42 (b) A school shall provide intervention to a student described in

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

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